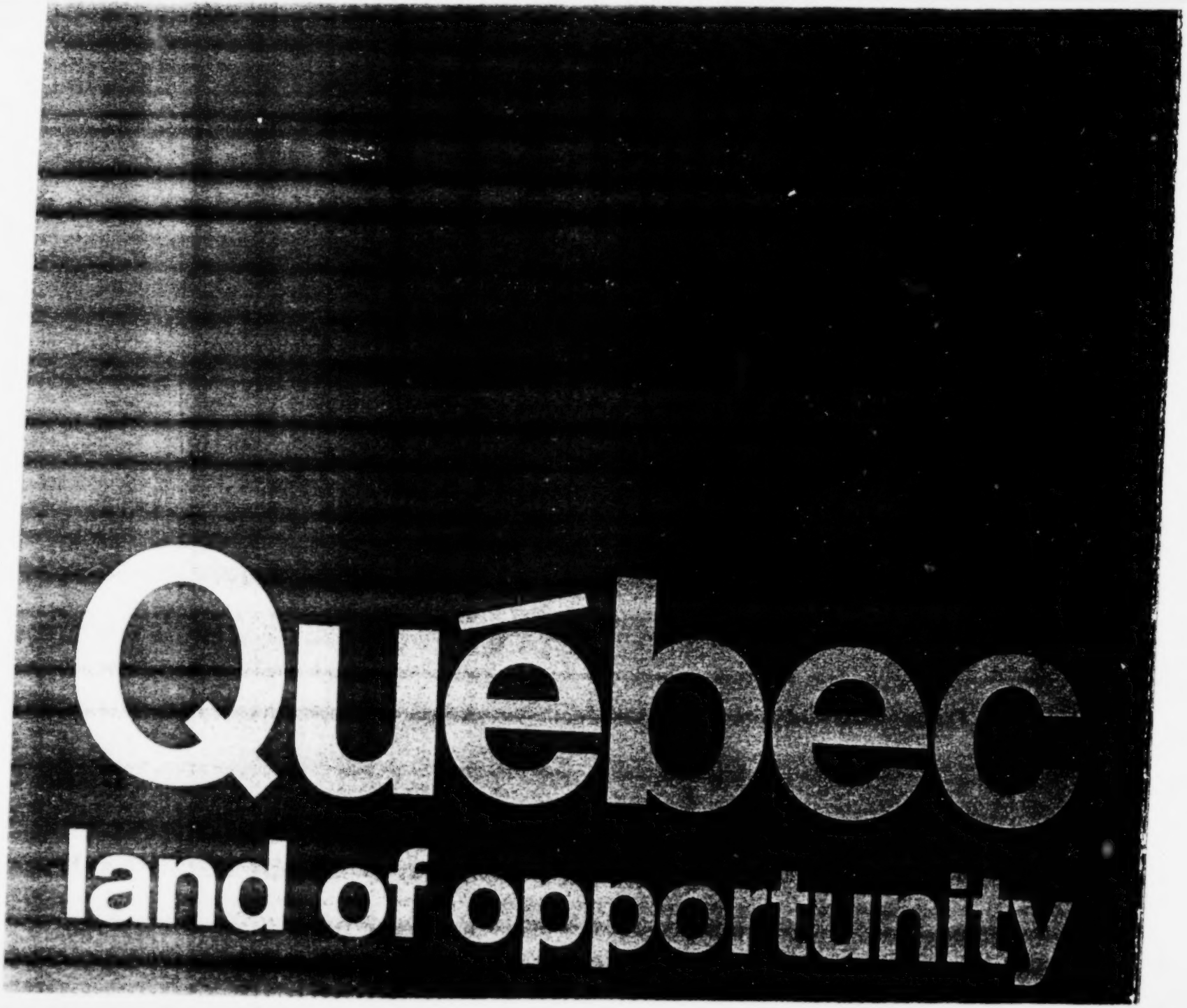
Québec
land of opportunity

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- Québec, land of opportunity
- natural resources
- power resources
- industry
- population manpower, market
- transport and communications
- trade and finance
- taxation

## Quebec's Delegations

PARIS, 66, rue Pergolèse, Paris 16e, France.
LONDON, 12, Upper Grosvenor Street, London W.1., England.
NEW YORK, 17 west, 50th Street, Rockefeller Centre, New York, N.Y. 10020
MILAN, Via Manzoni, 16, Milano, Italia.

PUBLISHED BY THE QUÉBEC DEPARTMENT OF INDUSTRY AND COMMERCE.

# Québec, land of opportunity

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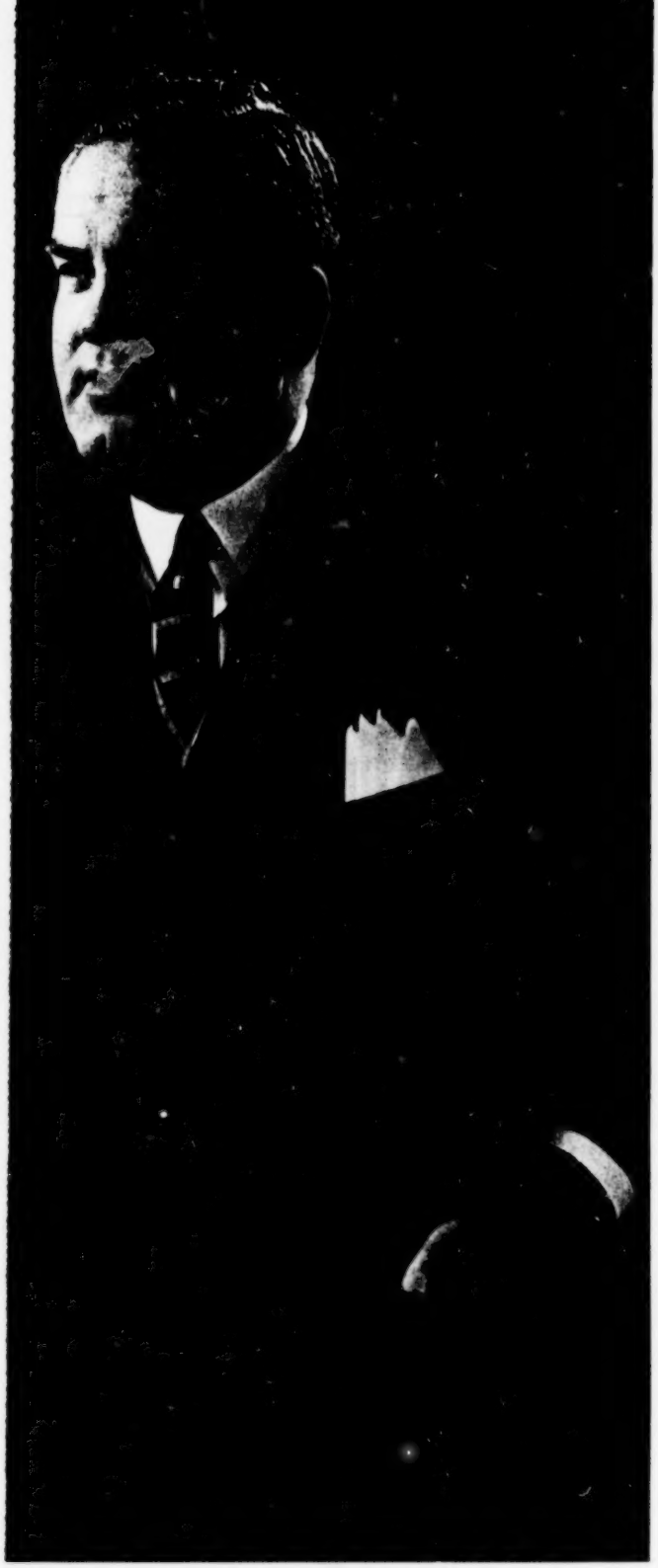
# Québec
## land of opportunity



Québec, the largest and one of the wealthiest of Canada's ten provinces, offers outstanding opportunities for industry and commerce. Its youth and dynamism are matched by a high degree of industrial development and economic maturity.

The province has all the prerequisites of success and unlimited scope for progress.

*The prerequisites of success:* One of the highest standards of living in the world, a skilled labour force, rich mineral deposits, abundant power resources, a solid industrial infrastructure, a first-class transport and communications system, and banking and financial institutions geared to a fast-growing economy.

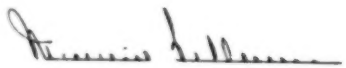
*Unlimited scope:* Plenty of undeveloped natural resources and a vast industrial potential.

In addition to facilitating trade exchanges between Québec and the rest of the world, it is the task of the Department of Industry and Commerce to further Québec's economic development by promoting the establishment of new enterprises as well as the expansion of already existing firms.

Our agencies in New York, London, Paris and Milan put at the disposal of foreign businessmen detailed information on all sectors of commerce and industry in Québec. Our economic advisers will be glad to advise them on industrial location, manufacturing-under-licence agreements, and markets in general.

This year, businessmen from all over the world will be visiting Québec. They will be able to judge for themselves what opportunities for growth our economy has to offer. Through the officers of this Department they will be able to get all the information they may require. They will also be put in touch with economic development organizations in the public and private sectors.

I extend a hearty welcome to all our visitors and I hope they will thoroughly enjoy their stay among us.



Maurice Bellemare,
Minister of Industry and Commerce.

# natural resources

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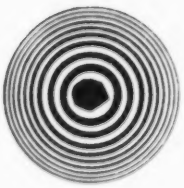

## Mines

Within its 595,000 square miles — more than six times the size of Great Britain and Ireland put together — Québec contains a great variety of mineral deposits whose inestimable resources have hardly been touched. Between 30,000 and 40,000 claims are staked in Quebec every year and 58 mines are at present in production. The government's desire to promote the exploration and development of minerals is evidenced in its mining regulations: anyone, irrespective of race or nationality, may acquire a prospector's licence for a small fee.

Since 1950, the growth rate of the mining industry has been rapidly increasing. The 1,012 miles of railroads and 750 miles of roads built during the last few years to facilitate access to the mining areas have largely contributed to the upswing of the mineral industry.

Québec, the world's largest asbestos producer, accounts for 94% of Canada's production and for 43% of the world's output. The province's almost inexhaustible mineral wealth is exemplified by its iron ore reserves estimated at 4 billion tons.

The bright prospects of mining development and on-the-spot treatment of ores have induced many businessmen to set up processing plants in the province. Another inducement is Québec's highly efficient transport system, which links the sources of raw materials with the centres of consumption.

# Forests

Our forests are primarily coniferous. The abundant white and black spruce varieties are particularly well suited for the manufacture of pulp.

The other species found in Québec's forests are, in order of importance: balsam fir, white pine, red pine and eastern white cedar. The huge pines from the Ottawa Valley are in great demand in the construction industry, particularly in Québec and in the United States.
Most of the forest land belongs to the government of Québec, which leases forest limits to contractors. As the majority of Québec forests are of mature age, the trees are usually cut off at the roots.
The most important of the deciduous species, which are abundant and of excellent quality, are yellow birch, white birch, hard maple, red maple and aspen. Yellow birch is exported to the United States for the production of veneer.

The volume of wood cut in Québec is the second largest in Canada — 30% of the total. In 1964, the volume of wood cut was 950,500,000 cubic feet, the value, $ 266,000,000.
Québec's forests supply the needs of the wood products sector, the province's third largest industry.

*Québec's forest resources are enormous, particularly so in the softwoods essential for the production of pulp and paper, a large part of which is exported throughout the entire world.*

## GROWTH OF QUÉBEC'S MINERAL PRODUCTION

*(in thousands of dollars)*

| 1910 | 1920 | 1930 | 1940 | 1950 | 1955 | 1960 | 1962 | 1964 | 1965 |
|---|---|---|---|---|---|---|---|---|---|
| $7,323. | $28,393. | $41,159. | $86,419. | $220,665. | $357,562. | $446,637. | $521,327. | $687,667. | $721,672. |

## MAIN MINERAL PRODUCTION

**1966***

| | | |
|---|---|---|
| Asbestos | 1,336,566 tons | (1) |
| Iron | 13,817,367 tons | |
| Zinc | 580,504,425 lb. | (2) |
| Copper | 345,434,345 lb. | (3) |
| Silver | 5,780,130 oz. t. | (3) |
| Gold | 944,034 oz. t. | (3) |
| Lead | 7,708,276 lb. | |
| Nickel | 8,793,400 lb. | |

(1) Québec produces 43% of the world's asbestos.
(2) Largest producer in Canada.
(3) Second largest producer in Canada.
(*) Estimated.

## METALLIC MINERAL PRODUCTION

**1966**

| | | |
|---|---|---|
| Bismuth | 650,753 lb. | (1) |
| Cadmium | 304,421 lb. | (2) |
| Cobalt | 101,000 lb. | |
| Columbium | 2,606,000 lb. | (3) |
| Molybdenum | 4,896,309 lb. | (2) |
| Selenium | 297,800 lb. | (1) |
| Tellurium | 56,900 lb. | (1) |

(1) Largest producer in Canada.
(2) Second largest producer in Canada.
(3) Sole producer in Canada.

## PRODUCTION OF STRUCTURAL MATERIALS

**1966**

| | |
|---|---|
| Clay | $6,600,000 |
| Cement | 2,976,610 tons |
| Lime | 352,342 tons |
| Sand and Gravel | 49,611,123 tons |
| Stone | 48,575,164 tons |

## NON-METALLIC MINERAL PRODUCTION

**1966**

| | | |
|---|---|---|
| Feldspath | 15,900 tons | (1) |
| Litia | 244,063 lb. | |
| Mica | 339,800 lb. | (2) |
| Peat moss | 110,000 tons | (2) |
| Quartz | 540,000 tons | (3) |
| Steatite and Pyrophillite | 15,100 tons | (2) |
| Sulphur and Smelter gases | 57,446 tons | |
| Titanium dioxide | 395,523 tons | |

(1) Sole producer in Canada.
(2) Largest producer in Canada.
(3) Second largest producer in Canada.

*for the*

## Agriculture

Despite an estimated value of 657,000,000 dollars in 1966, the province's agricultural production has to be supplemented by imported produce, especially fruits and vegetables.
Milk production, however, is largely in excess of requirements and feeds a large milk-processing industry (1966 production value: 300,000,000 dollars). Quebec's largest industry is its food industry, with an estimated production value of 1,980,000,000 dollars.

## The Fishing Industry

Cod, herring, mackerel, salmon and lobster catches fetch well over $6,000,000 a year.

| | Volume | Value |
|---|---|---|
| Offshore Fishing . . . . . | 91,723,000 lbs | $3,000,000 |
| Inshore Fishing . . . . . | 52,757,000 lbs | $3,600,000 |

About 75% of the fish is exported.
The fishing industry is not limited to the coastal regions, and offshore fishing is increasing rapidly. As a result, for the first time since trawling was introduced into Québec waters in 1951, the total offshore catch has now surpassed that of the inshore fisheries. The latter, however, remains first in value, notably in the case of lobsters, salmon and scallops, which are taken excusively along the coast.

Fresh water is one of Québec's greatest natural wealth. It is perhaps the very resource that will make this province a huge industrialized region similar to the Ruhr Valley. Québec has one-third of all the fresh water used in Canada for industrial purposes, and one-fifth of the fresh water reserves in the free world. This supply remains constant due to the heavy and regular snow accumulation during the winter months. Still untapped are huge reserves such as the James Bay and Hudson's Bay basins, whose flow exceeds that of the St. Lawrence River. This phenomenal wealth in fresh water suitable for industrial use explains why Québec has such a concentration of textile and pulp and paper industries, (Québec is the world's leading newsprint producer), ore processing plants, etc...

# power resources

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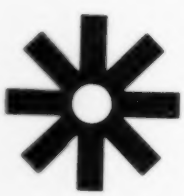


The prodigious power resources available to industry in Québec facilitate the production and processing of raw materials. Those resources are: electric power, natural gas and crude oil.

Not only is Québec the largest hydro-electric power producer among the Canadian provinces, but with 1.7 kw installed power per capita it leads the world's industrialized countries in the production of electric energy. The second largest producer is Norway, with 1.6 kw; in the United States, there is 0.2 kw installed power per capita.

## Electric Energy

Québec's hydro-electric potential is 40% of the Canadian total, or 2,237,100 kw out of 5,592,750 kw. At the end of 1965, installed electric power totalled 10.6 million kw. Of the 56.8 billion kwh consumed, the industrial sector accounted for 71%, households for 15.4% and the service sector for 13.6%.

The Québec Hydro-Electric Commission spends over $300,000,000 a year on technical improvements, so as to be able to meet growing demands. Six years ago, Québec Hydro began harnessing the power of the Manicouagan and Outardes rivers, which flow into the St. Lawrence near Baie-Comeau, 250 miles below Québec City. In the spring of 1966, the Commission tackled the second part of one of the most ambitious programs of hydro expansion ever conceived.

By 1973, there will be 37 new generating units with an over-all capacity of 5,500,000 kw, seven power stations and the world's first electric transmission network with 735 kv lines. The first generators were put into service last year.

Experts from all over the world have expressed their admiration for the gigantic Manic project, which employs 5,000 people. The 703-foot-high buttressed, multi-arch dam at Manic 5 is the highest and most massive dam of its kind. The 800-square mile reservoir at Manic 5 will be the fourth largest in the world.

In anticipation of Québec's future requirements, Québec Hydro recently concluded an agreement for the development of the Churchill Falls with the Churchill Falls Corporation. This will provide Québec's industries with an additional 32,200,000,000 kwh a year.

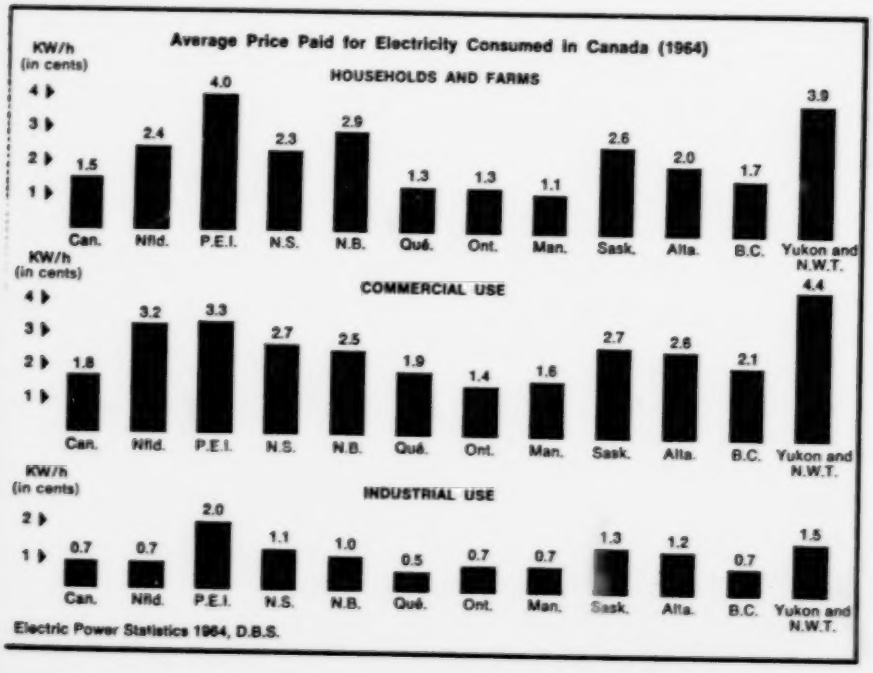
## WATER POWER RESOURCES OF CANADA AT 31 DECEMBER 1965

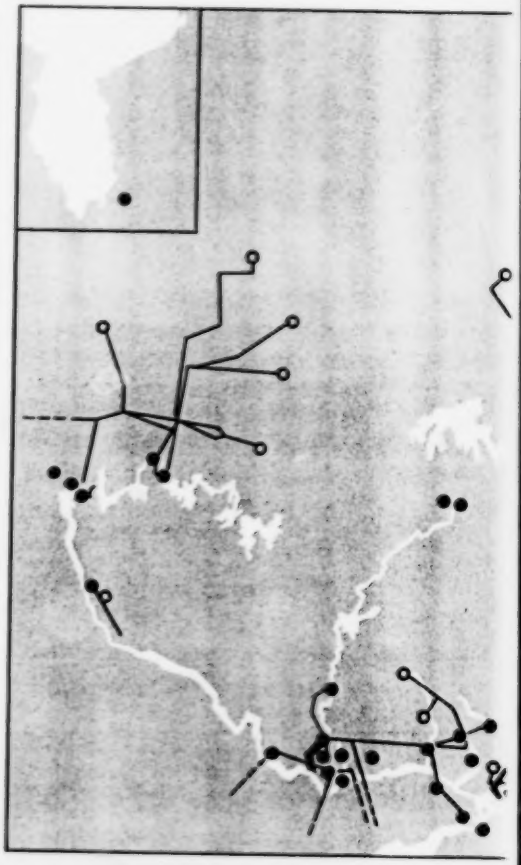
| Province or Territory | Undeveloped Water Power | | | Developed Water Power |
|---|---|---|---|---|
| | Available Continuous Power at 88% Efficiency | | | |
| | At Q95 (a) kw | At Q50 (b) kw | At Qm (c) kw | Installed Generating Capacity kw |
| Québec | 8,500,000 | 25,800,000 | 32,500,000 | 10,339,000 |
| British Columbia | 4,946,000 | 16,635,000 | 24,665,000 | 2,616,000 |
| Manitoba | 2,964,000 | 5,501,000 | 5,853,000 | 1,074,000 |
| Newfoundland | 1,240,000 | 3,635,000 | 4,871,000 | 466,000 |
| Alberta | 895,000 | 3,244,000 | 4,866,000 | 445,000 |
| Northwest Territories | 864,000 | 2,232,000 | 3,322,000 | 35,000 |
| Saskatchewan | 773,000 | 1,298,000 | 1,559,000 | 320,000 |
| Yukon Territory | 664,000 | 3,237,000 | 5,689,000 | 28,000 |
| Ontario | 467,000 | 1,102,000 | 1,663,000 | 6,064,000 |
| New Brunswick | 62,000 | 221,000 | 497,000 | 262,000 |
| Nova Scotia | 21,000 | 112,000 | 165,000 | 143,000 |
| Prince Edward Island | — | 1,000 | 2,000 | — |
| CANADA | 21,396,000 | 63,018,000 | 85,652,000 | 21,792,000 |

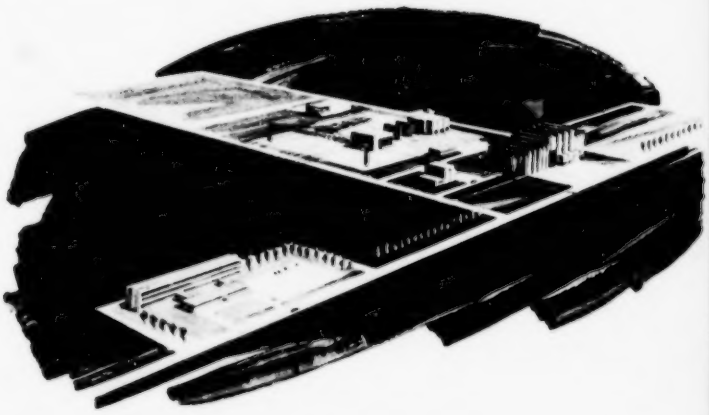
(a) Power equivalent of flow available 95% of the time.

(b) Power equivalent of flow available 50% of the time.

(c) Power equivalent of arithmetical mean flow.

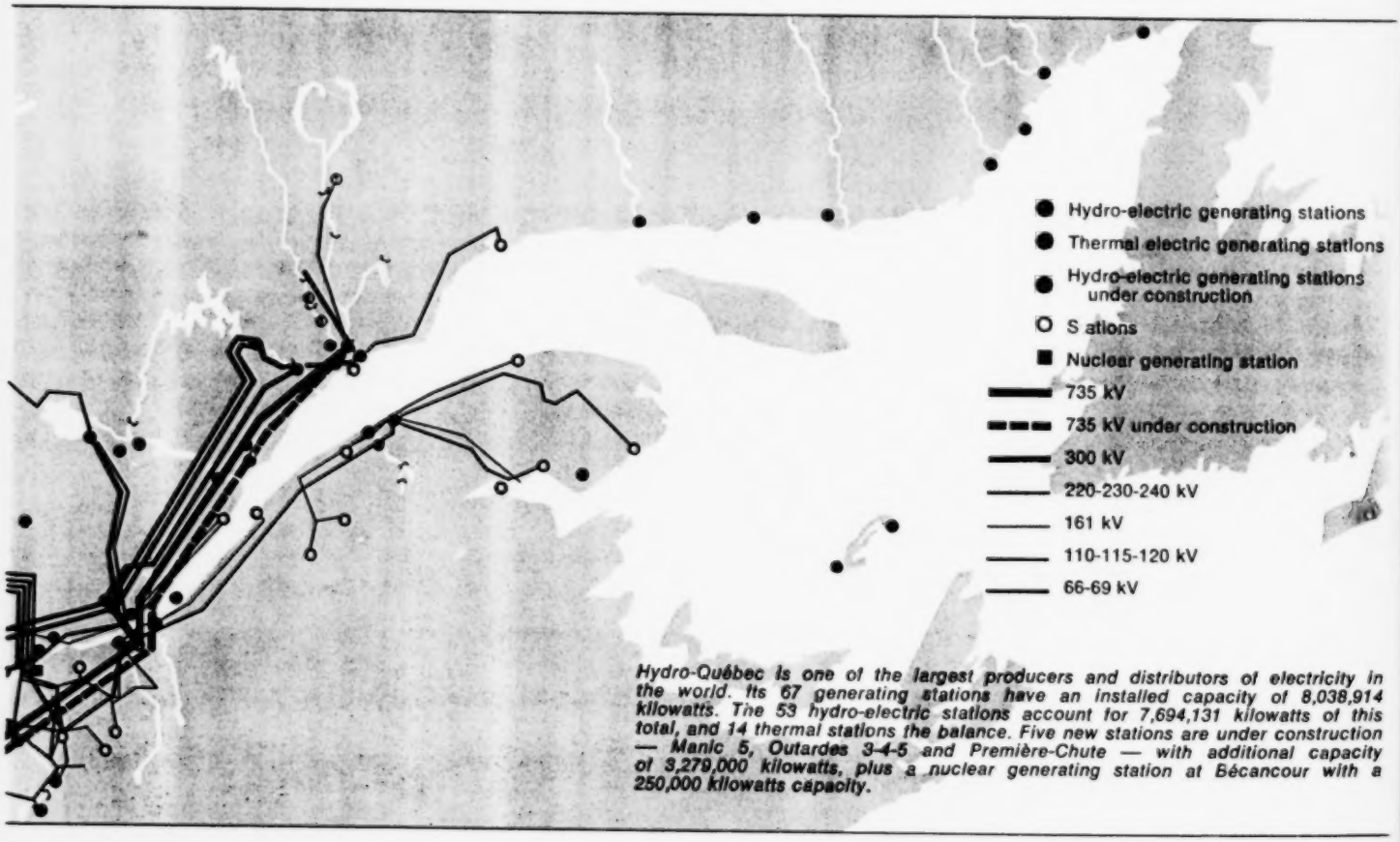


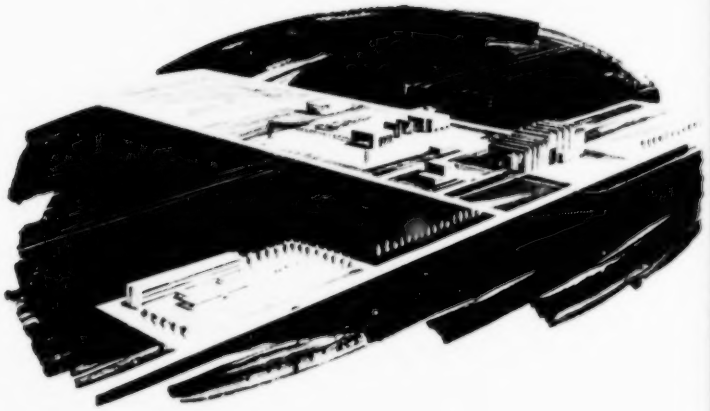


## Research Institute

*In February 1967, the government of Québec authorized Québec Hydro to set up a research institute on an international scale. This institute, the only one of its kind in the world, will be equipped to meet not only the needs of Québec industries but also those of organizations in the rest of Canada and the United States.*
*The creation of this research centre, which will employ over 200 research workers and technicians, necessitates a capital outlay of $28 million, spread over a period of five years.*




*Hydro-Québec is one of the largest producers and distributors of electricity in the world. Its 67 generating stations have an installed capacity of 8,038,914 kilowatts. The 53 hydro-electric stations account for 7,694,131 kilowatts of this total, and 14 thermal stations the balance. Five new stations are under construction — Manic 5, Outardes 3-4-5 and Première-Chute — with additional capacity of 3,279,000 kilowatts, plus a nuclear generating station at Bécancour with a 250,000 kilowatts capacity.*



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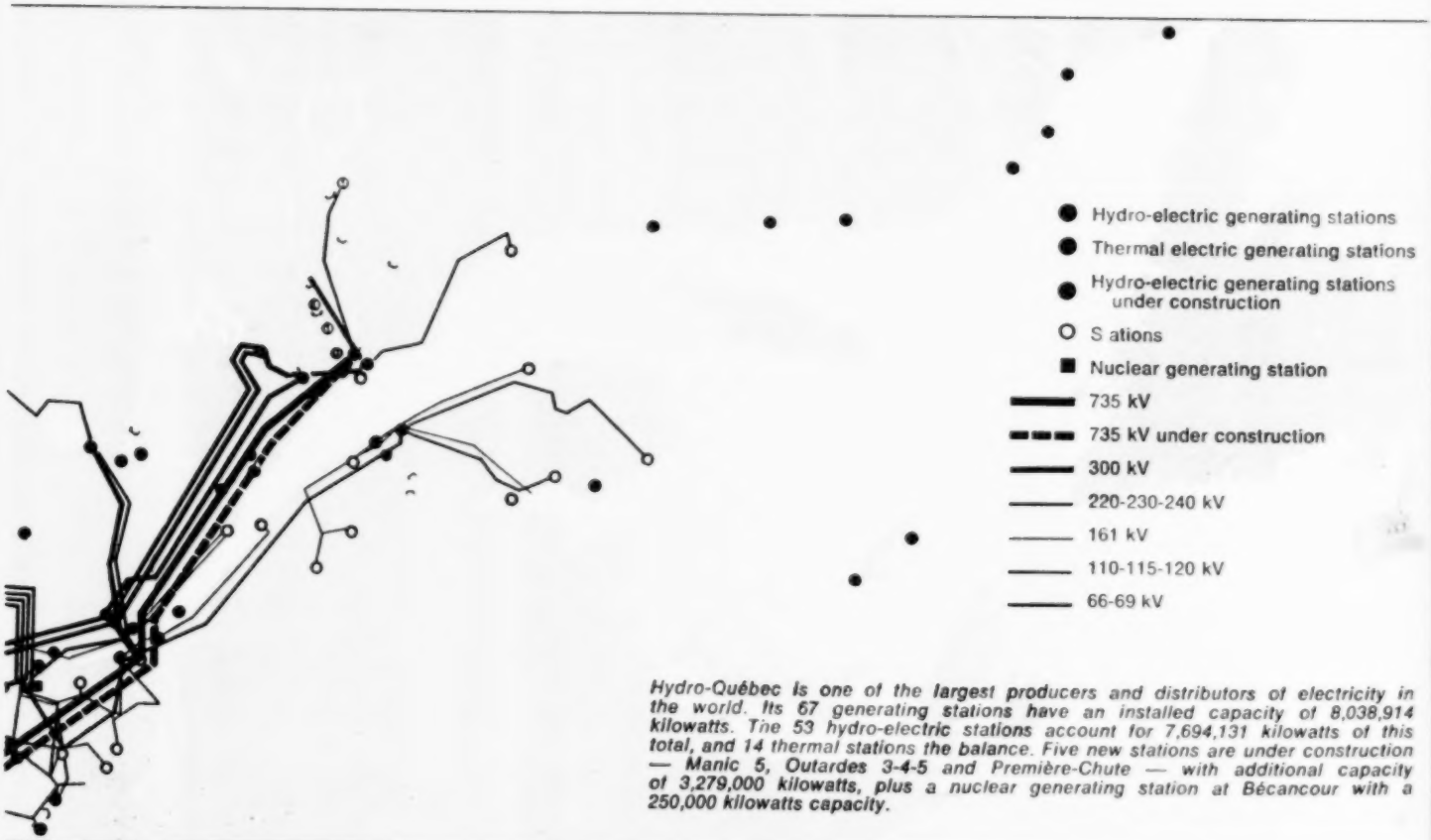


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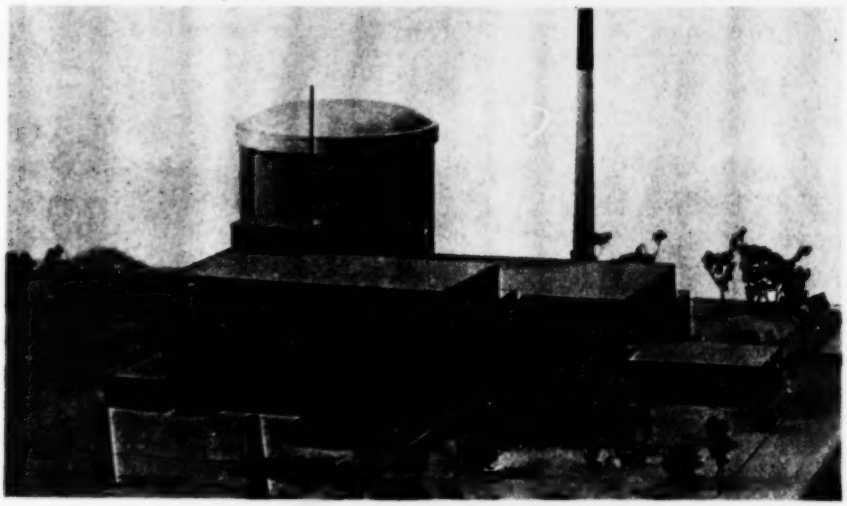
**Nuclear Power Stations**

A $106 million nuclear power station is to be built at Gentilly, half-way between Québec and Montreal. To begin with, the station will supply 250,000 kw, but another project, involving the construction of a 1,200,000 kw station which would be the largest in Canada, is under consideration.

Québec's abundant and inexpensive power resources play a major part in industrial development.



**Natural Gas**

Another source of energy available to industry in the Montreal area is natural gas brought in by pipeline from Alberta. Of the 38,431,000,000 cubic feet of natural gas consumed in Québec in 1966, industry alone accounted for 26,000,000,000 cubic feet. It is worth noting that natural gas is used to power the General Motors automobile assembly plant at Sainte-Thérèse.

**Petroleum**

Québec is particularly well supplied with crude oil, which is transported by tanker as well as by a pipeline linking Montreal with Portland, Maine. In 1965, the productive capacity of Québec's refineries was 318,700 bbl a day, 30.3% of the Canadian total; Ontario's output accounted for 29.2% of that total. Montreal's oil refineries get their crude oil from Venezuela and the Middle East.
With a view to developing Québec's crude oil resources, Québec Hydro recently founded, in association with Texaco, *la Société acadienne de recherches pétrolières (SAREP).* The new company will prospect a vast area near les Iles-de-la-Madeleine in the Gulf of St. Lawrence.

# industry

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## Industry

Québec's industries, especially the processing industries, offer ideal conditions for investment. To attract new industries, the federal government and the government and municipalities of Québec offer industries locating in Québec tax relief, short and long-term loans and various other financial advantages. Moreover, the economic climate of this young and dynamic country greatly favours free enterprise. It is for those reasons that more and more foreign firms are taking advantage of the opportunities Québec has to offer.

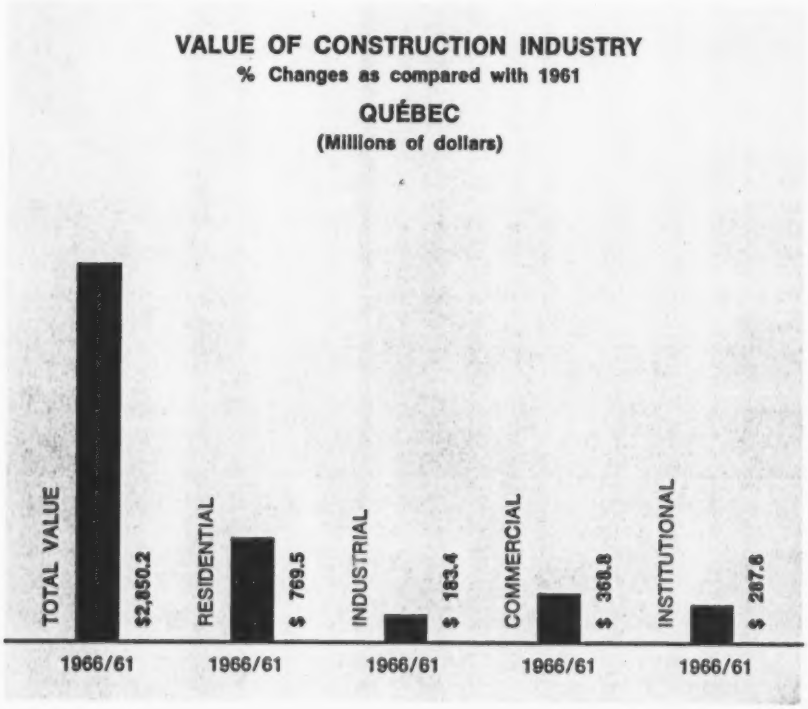
Québec's two largest industries — the pulp and paper industry and the metal smelting and refining industry — which are surrounded by highly diversified production industries (see table), each recorded a production value of over $800,000,000 in 1966. Other industries which proved equally dynamic were textiles ($703,300,000), chemical products ($565,000,000) and foodstuffs ($1,980,000,000).
The output of Québec's manufacturing industries represents 30% of Canada's over-all production and 70% of the production of all Québec industries.

The concentration of industries in the Montreal area, proportionally higher than in the New York area, is due to the city's geographical position, the abundance of qualified labour and a massive concentration of capital. Montreal, which accounts for 42% of all industrial establishments in Québec, 56% of its manpower and 60% of salaries and wages, furnishes 56% of the province's industrial production.

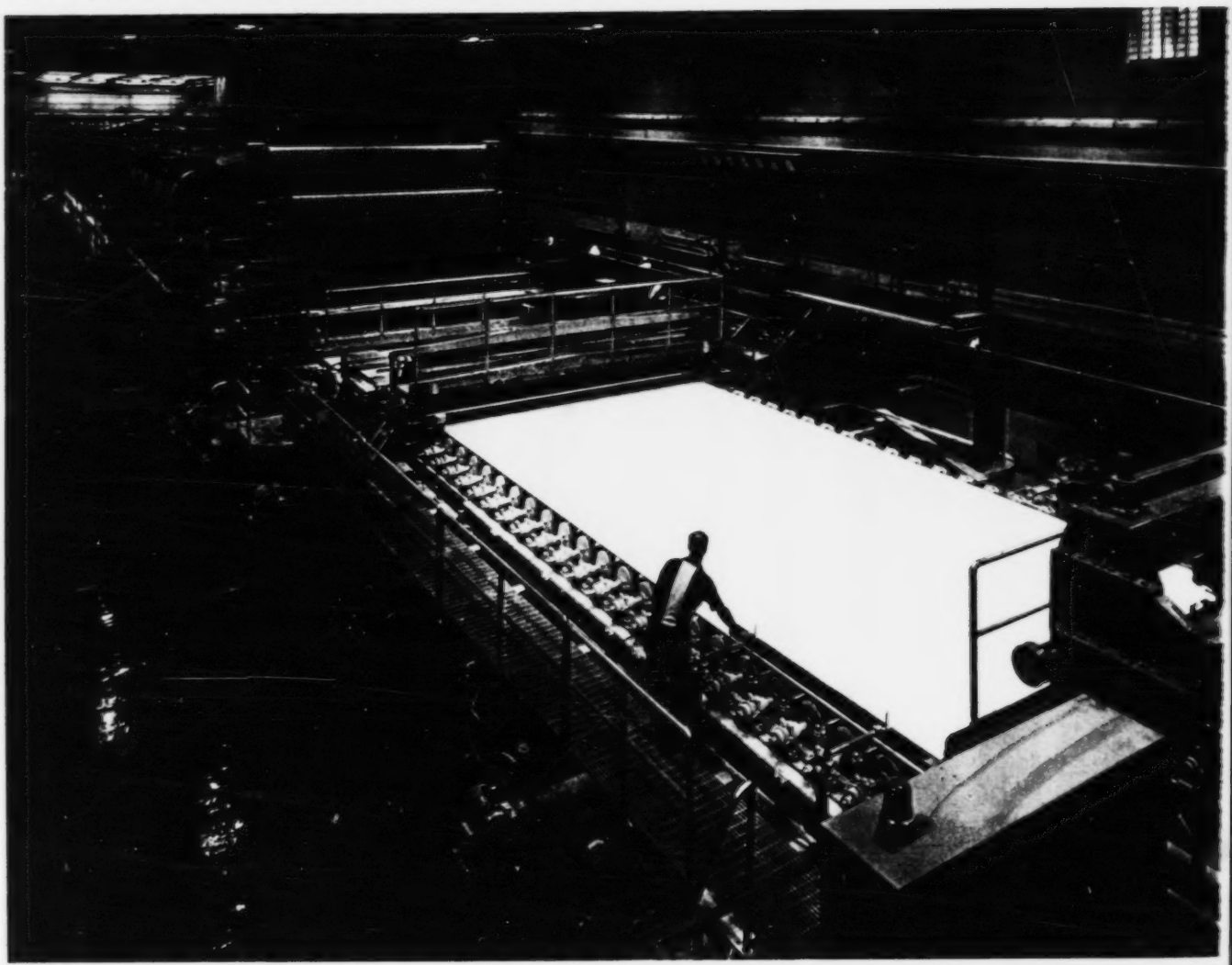
This concentration does in no way hinder the industrial development of other regions with a large variety of major industries. Fifty per cent of Québec's industries are located in the following areas: Trois-Rivières (pulp, paper, electrical appliances, leather, textiles), Shawinigan (chemical products, textiles), Sherbrooke (boilers, textiles, heavy machinery, dairy products, confectionery, footwear, concrete, etc.), Victoriaville (furniture, dairy products, etc.), Québec (foodstuffs, pulp and paper, cement, textiles, shipbuilding, etc.), Hull (pulp and paper, matches, metal products, etc.), Valleyfield (textiles, metal processing, rubber, etc.), Abitibi-Lac-St-Jean (aluminum, pulp and paper, copper, etc.).

Québec's industrial development is constantly advancing and extending to new fields. Thus, the establishment in 1965 of two automobile assembly plants — General Motors ($60,000,000 investment) and Société de Montage Automobile (Renault et Peugeot) — marked the beginnings of an automotive industry in Québec.

Since Canada and the United States concluded an agreement on automotive products in 1965, 85 new plants manufacturing automotive products have gone into production in Canada and 158 existing plants have expanded. Future prospects in this field are excellent in view of the exceptional vitality of Québec's automobile market.



*The manufacture of wood pulp and particularly newsprint, of which Québec is the world's leading producer, is one of the province's principal industrial activities. The major mills are in the regions around Trois-Rivières, Lake St. John, Hull, etc. . . .*

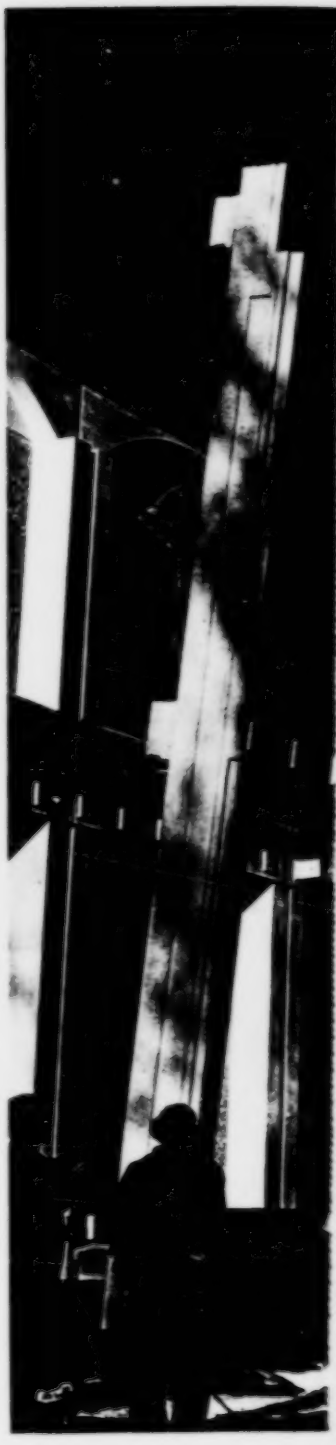


## Statistics of the Manufacturing Industries, by Group, in Québec, 1964

| Group | Establishments | Employees | Salaries and wages | Fuel and electricity | Cost of materials used | Added value | Selling value of shipments |
|---|---|---|---|---|---|---|---|
| | Number | | | | $000 | | |
| **1—Food and Beverage Industries:** | | | | | | | |
| Slaughtering and meat processors | 100 | 6,428 | 29,057 | 1,999 | 197,182 | 61,709 | 260,728 |
| Sausage and sausage casing manufacturers | 27 | 413 | 1,503 | 153 | 5,973 | 3,119 | 9,272 |
| Poultry processors | 36 | 1,829 | 5,038 | 415 | 55,357 | 8,953 | 64,395 |
| Dairy factories | 518 | 8,069 | 30,954 | 5,223 | 263,110 | 87,204 | 354,627 |
| Process cheese manufacturers | | | | | | | |
| Fish products industry | 52 | 1,181 | 2,263 | 145 | 5,615 | 3,312 | 9,010 |
| Fruit and vegetable canners and preservers | 105 | 3,279 | 9,857 | 828 | 40,105 | 26,032 | 64,896 |
| Feed manufacturers | 327 | 2,519 | 9,233 | 1,502 | 100,678 | 20,692 | 122,415 |
| Flour mills | 6 | 829 | 4,297 | 268 | 53,156 | 15,437 | 68,289 |
| Biscuit manufacturers | 17 | 3,290 | 11,800 | 499 | 22,025 | 23,415 | 45,918 |
| Bakeries | 787 | 10,258 | 34,467 | 2,901 | 62,252 | 68,470 | 133,566 |
| Confectionery | 58 | 3,067 | 10,030 | 517 | 26,332 | 24,410 | 50,989 |
| Animal oils and fats | 4 | 61 | 251 | 3 | 678 | 739 | 1,428 |
| Breakfast cereal manufacturers | | | | | | | |
| Sugar refineries | 7 | 1,351 | 7,535 | 1,075 | 67,857 | 18,587 | 88,398 |
| Vegetable oil mills | | | | | | | |
| Vineries | 94 | 4,044 | 16,451 | 1,139 | 101,168 | 66,982 | 169,387 |
| Macaroni manufacturers | | | | | | | |
| Miscellaneous food | | | | | | | |
| Soft drink manufacturers | 169 | 5,492 | 21,781 | 1,547 | 28,875 | 155,254 | 185,563 |
| Distilleries | 6 | 1,152 | 6,227 | 912 | 17,332 | 48,588 | 68,712 |
| Breweries | 5 | 3,032 | 18,862 | 898 | 16,720 | 55,961 | 74,059 |
| TOTAL | 2,328 | 56,294 | 219,606 | 20,024 | 1,064,415 | 688,864 | 1,771,652 |
| **2—Tobacco Products Industries:** | | | | | | | |
| Leaf tobacco processing | 21 | 6,545 | 29,960 | 657 | 101,146 | 92,757 | 192,132 |
| Tobacco products | | | | | | | |
| TOTAL | 21 | 6,545 | 29,960 | 657 | 101,146 | 92,757 | 192,132 |
| **3—Rubber Industries:** | | | | | | | |
| Rubber footwear | 4 | 3,665 | 12,532 | 275 | 10,694 | 22,819 | 33,396 |
| Other rubber industries | 28 | 3,138 | 14,132 | 1,075 | 28,259 | 30,835 | 59,435 |
| TOTAL | 32 | 6,803 | 26,664 | 1,350 | 38,953 | 53,654 | 92,831 |
| **4—Leather Industries:** | | | | | | | |
| Leather tanneries | 14 | 486 | 1,940 | 147 | 3,812 | 2,887 | 6,790 |
| Shoe factories | 120 | 11,100 | 33,858 | 412 | 47,569 | 53,899 | 101,128 |
| Leather glove factories | 27 | 1,078 | 2,617 | 44 | 3,568 | 4,542 | 7,919 |
| Miscellaneous leather products | 125 | 3,742 | 11,252 | 237 | 15,643 | 17,406 | 33,100 |
| TOTAL | 286 | 16,406 | 49,667 | 840 | 70,592 | 78,734 | 148,937 |
| **5—Textile Industries:** | | | | | | | |
| Cotton yarn and cloth mills | 25 | 12,435 | 48,081 | 3,637 | 130,816 | 99,363 | 231,152 |
| Wool yarn mills | | | | | | | |
| Wool cloth mills | 27 | 3,691 | 13,935 | 793 | 26,209 | 30,012 | 55,328 |
| Synthetic textile mills | 39 | 12,368 | 43,829 | 3,166 | 96,691 | 106,437 | 201,569 |
| Carpet, mat and rug industry | 7 | 567 | 2,212 | 143 | 10,637 | 5,176 | 15,493 |
| Fibre preparing mills | 11 | 179 | 612 | 100 | 2,546 | 1,524 | 4,153 |
| Linoleum and coated fabrics | 11 | 1,606 | 7,427 | 475 | 15,341 | 15,571 | 30,497 |
| Narrow fabric mills | 34 | 2,098 | 7,065 | 266 | 13,001 | 11,771 | 25,270 |
| Textile dyeing and finishing | 39 | 1,756 | 7,341 | 813 | 5,159 | 14,748 | 20,741 |
| Thread mills | 13 | 951 | 3,229 | 125 | 7,693 | 6,313 | 13,881 |
| Cordage and twine industry | 6 | 262 | 959 | 62 | 1,950 | 1,448 | 3,813 |
| Pressed and punched felt mills | | | | | | | |
| Canvas | 29 | 604 | 1,828 | 67 | 3,625 | 2,806 | 6,282 |
| Cotton and jute bags | 13 | 510 | 1,861 | 55 | 10,254 | 4,037 | 14,172 |
| Automobile fabric accessories | 4 | 96 | 252 | 5 | 795 | 451 | 1,251 |
| Embroidery, pleating and hemstitching | 83 | 1,134 | 3,508 | 63 | 2,293 | 5,906 | 8,259 |
| Miscellaneous textiles | 86 | 3,441 | 12,796 | 333 | 29,142 | 23,640 | 52,703 |
| TOTAL | 427 | 41,698 | 154,935 | 10,103 | 356,152 | 329,203 | 684,564 |
| **6—Knitting Mills:** | | | | | | | |
| Hosiery mills | 102 | 4,779 | 14,345 | 481 | 23,149 | 27,595 | 50,241 |
| Other knitting mills (other than hosiery) | 118 | 7,205 | 22,310 | 575 | 63,679 | 43,437 | 105,697 |
| TOTAL | 220 | 11,984 | 36,655 | 1,056 | 86,828 | 71,032 | 155,938 |
| **7—Clothing Industries:** | | | | | | | |
| Men's clothing factories | 272 | 16,958 | 51,813 | 609 | 96,428 | 97,879 | 193,163 |
| Men's clothing contractors | 105 | 5,079 | 12,421 | 187 | 1,701 | 15,567 | 17,478 |
| Factories | 422 | 20,598 | 64,870 | 548 | 130,108 | 124,199 | 251,855 |
| Women's clothing contractors | 186 | 4,497 | 10,053 | 142 | 790 | 14,199 | 15,093 |
| Children's clothing industry | 129 | 6,409 | 17,296 | 202 | 35,802 | 31,245 | 66,537 |
| Fur goods | 276 | 1,842 | 7,578 | 105 | 26,758 | 14,321 | 40,441 |
| Hats and caps | 66 | 2,039 | 6,919 | 139 | 6,491 | 10,900 | 17,601 |
| Foundation garments | 25 | 3,343 | 9,975 | 77 | 13,074 | 19 545 | 31,745 |
| Fabric gloves | 8 | 595 | 1,438 | 31 | 2,324 | 2,534 | 4,848 |
| Miscellaneous | 34 | 603 | 1,794 | 27 | 3,329 | 3,079 | 6,300 |
| TOTAL | 1,523 | 61,963 | 184,157 | 2,067 | 316,805 | 339,468 | 645,061 |
| **8—Wood Industries:** | | | | | | | |
| Sawmills and shingle mills | 818 | 12,387 | 28,436 | 3,208 | 57,811 | 62,036 | 121,339 |
| Veneer and plywood mills | 22 | 3,133 | 9,509 | 603 | 15,592 | 19,258 | 35,236 |
| Sash and door and planing mills (excluding hardwood flooring) | 465 | 3,962 | 14,023 | 719 | 31,170 | 22,097 | 53,394 |
| Hardwood flooring | 7 | 774 | 1,876 | 90 | 4,235 | 3,241 | 7,324 |
| Wooden box factories | 41 | 671 | 1,982 | 84 | 2,941 | 3,214 | 6,206 |

## Statistics of the Manufacturing Industries, by Group, in Québec, 1964 (cont'd.)

| Group | Establishments | Employees | Salaries and wages | Fuel and electricity | Cost of materials used | Added value | Selling value of shipments |
|---|---|---|---|---|---|---|---|
| | Number | | | | $000 | | |
| **8—Wood Industries (Cont'd):** | | | | | | | |
| Coffin and casket industry | 23 | 554 | 1,983 | 78 | 2,068 | 3,034 | 5,177 |
| Wood preservation | 39 | 790 | 2,267 | 163 | 3,941 | 4,298 | 8,365 |
| Wood handles and turnings | | | | | | | |
| Other wood articles | 10 | 394 | 796 | 38 | 1,370 | 1,768 | 3,177 |
| Cooperage | 50 | 509 | 1,667 | 109 | 2,804 | 2,836 | 5,708 |
| Miscellaneous wood industries | | | | | | | |
| TOTAL | 1,475 | 23,174 | 62,539 | 5,092 | 121,932 | 121,782 | 245,924 |
| **9—Furniture and Fixture Industries:** | | | | | | | |
| Furniture | 717 | 10,718 | 50,040 | 1,779 | 76,812 | 84,309 | 160,640 |
| Electric lamps and shades | 41 | 715 | 2,084 | 41 | 4,903 | 3,991 | 8,928 |
| TOTAL | 758 | 14,809 | 52,125 | 1,820 | 81,715 | 88,300 | 169,568 |
| **10—Paper and Allied Industries:** | | | | | | | |
| Pulp and paper mills | 55 | 26,504 | 152,852 | 57,932 | 272,272 | 410,137 | 740,005 |
| Asphalt roofing | 6 | 970 | 4,652 | 491 | 11,437 | 13,546 | 24,971 |
| Folding boxes and set up boxes | 41 | 2,509 | 9,924 | 322 | 18,903 | 17,111 | 35,795 |
| Corrugated boxes | 12 | 2,158 | 10,394 | 410 | 33,244 | 18,066 | 51,778 |
| Paper bags | 28 | 2,140 | 8,379 | 252 | 35,328 | 15,492 | 50,727 |
| Other paper converted | 68 | 2,890 | 12,095 | 478 | 37,395 | 23,998 | 61,038 |
| TOTAL | 210 | 37,171 | 198,296 | 59,885 | 408,579 | 498,352 | 964,314 |
| **11—Printing, Publishing and Allied Industries:** | | | | | | | |
| Printing and bookbinding | 563 | 6,730 | 28,648 | 600 | 26,720 | 48,361 | 75,310 |
| Lithographing | 103 | 3,048 | 15,909 | 309 | 19,393 | 26,451 | 46,117 |
| Engraving and duplicate plates | 68 | 1,370 | 7,219 | 163 | 3,118 | 10,477 | 13,782 |
| Trade composition or typesetting | 24 | 479 | 2,574 | 26 | 274 | 4,175 | 4,463 |
| Publishing only | 169 | 2,062 | 8,798 | — | 3,259 | 32,642 | 35,811 |
| Printing and publishing | 92 | 7,641 | 38,583 | 705 | 23,962 | 71,138 | 95,518 |
| TOTAL | 1,019 | 21,330 | 101,731 | 1,803 | 76,726 | 193,244 | 271,001 |
| **12—Primary Metal Industries:** | | | | | | | |
| Iron and steel mills | 11 | 3,629 | 19,581 | 4,857 | 32,214 | 44,277 | 80,004 |
| Steel pipe and tube mills | 4 | 347 | 1,815 | 321 | 15,429 | 5,105 | 21,009 |
| Iron foundries | 43 | 1,802 | 7,616 | 385 | 13,976 | 15,883 | 29,257 |
| Smelting and refining | 10 | 12,323 | 73,925 | 24,391 | 547,955 | 223,774 | 789,470 |
| Aluminum, rolling, casting and extruding | 12 | 1,285 | 6,602 | 636 | 37,197 | 9,696 | 48,025 |
| Copper and alloy rolling, casting and extruding | 15 | 1,289 | 6,197 | 613 | 53,721 | 11,933 | 66,327 |
| Metal rolling, casting and extruding | 13 | 534 | 2,135 | 159 | 11,811 | 1,962 | 13,695 |
| TOTAL | 108 | 21,209 | 117,871 | 31,362 | 712,303 | 312,630 | 1,047,787 |
| **13—Metal Fabricating Industries (except machinery and transportation equipment industries):** | | | | | | | |
| Boiler and plate works | 14 | 1,898 | 10,184 | 220 | 16,876 | 17,594 | 35,441 |
| Fabricated structural metal | 18 | 3,937 | 21,052 | 524 | 39,552 | 23,784 | 61,157 |
| Ornamental and architectural metal | 246 | 3,790 | 15,725 | 492 | 28,070 | 29,027 | 57,565 |
| Metal stamping, pressing and coating | 142 | 6,970 | 33,518 | 1,320 | 61,658 | 126,509 | 65,334 |
| Wire and wire products | 56 | 4,581 | 23,417 | 1,191 | 60,480 | 44,653 | 105,314 |
| Hardware, tool and cutlery | 86 | 2,876 | 12,507 | 398 | 16,128 | 29,964 | 45,856 |
| Heating equipment | 24 | 1,921 | 9,159 | 193 | 12,604 | 14,957 | 27,208 |
| Machine shops | 208 | 2,647 | 11,833 | 412 | 9,459 | 19,441 | 29,132 |
| Miscellaneous metal fabricating | 66 | 3,063 | 14,663 | 617 | 15,889 | 24,320 | 40,472 |
| TOTAL | 860 | 31,683 | 152,057 | 5,367 | 260,716 | 330,249 | 467,479 |
| **14—Machinery Industries (except electrical machinery):** | | | | | | | |
| Agricultural implements | 12 | 487 | 1,317 | 75 | 2,222 | 3,780 | 5,879 |
| Miscellaneous machinery and equipment | 90 | 10,150 | 48,933 | 1,188 | 85,359 | 91,966 | 173,554 |
| Commercial refrigeration and air conditioning equipment | 12 | 908 | 3,735 | 44 | 4,674 | 5,354 | 9,663 |
| Office and store machinery | | | | | | | |
| TOTAL | 114 | 11,545 | 53,985 | 1,307 | 92,255 | 101,100 | 189,097 |
| **15—Transportation Equipment Industries:** | | | | | | | |
| Aircraft and parts | 27 | 13,919 | 79,175 | 1,687 | 85,013 | 105,362 | 202,638 |
| Motor vehicle | | | | | | | |
| Truck bodies and trailers | 35 | 640 | 2,768 | 82 | 4,078 | 4,259 | 8,286 |
| Motor vehicle parts and accessories | 16 | 1,593 | 8,317 | 1,100 | 23,308 | 16,639 | 40,849 |
| Railroad rolling stock | 10 | 7,318 | 37,486 | 800 | 42,044 | 65,163 | 99,161 |
| Shipbuilding and repair | | | | | | | |
| Boat building and repair | 43 | 800 | 3,178 | 81 | 7,271 | 9,077 | 16,505 |
| Miscellaneous vehicles | | | | | | | |
| TOTAL | 131 | 24,270 | 130,924 | 3,750 | 161,714 | 200,500 | 367,439 |
| **16—Electrical Products Industries:** | | | | | | | |
| Small electrical appliances | 7 | 452 | 1,973 | 77 | 2,561 | 6,712 | 9,563 |
| Major appliances (electrical and non-electrical) | 11 | 3,067 | 13,850 | 792 | 33,875 | 26,048 | 58,862 |



## Statistics of the Manufacturing Industries, by Group, in Québec, 1964 (cont'd.)

| Group | Establishments | Employees | Salaries and wages | Fuel and electricity | Cost of materials used | Added value | Selling value of shipments |
|---|---|---|---|---|---|---|---|
| | Number | | $000 | | | | |
| **16—Electrical Products Industries (cont'd):** | | | | | | | |
| Household radio and television receivers<br>Communication equipment | 40 | 11,723 | 65,456 | 658 | 60,995 | 87,656 | 154,687 |
| Electrical industrial equipment<br>Battery manufacturers | 24 | 1,932 | 8,950 | 335 | 14,993 | 19,318 | 33,142 |
| Electrical wire and cable | 6 | 2,913 | 16,938 | 871 | 58,589 | 43,216 | 100,506 |
| Miscellaneous and electrical products | 43 | 3,843 | 14,418 | 850 | 30,790 | 37,907 | 68,415 |
| TOTAL | 131 | 23,930 | 121,585 | 3,583 | 201,803 | 220,857 | 425,175 |
| **17—Non-metallic Mineral Products:** | | | | | | | |
| Cement<br>Lime | 11 | 1,102 | 6,067 | 6,757 | 2,632 | 34,417 | 44,680 |
| Concrete products | 207 | 2,719 | 10,991 | 1,020 | 16,837 | 24,396 | 41,134 |
| Ready-mix concrete | 52 | 2,286 | 12,003 | 2,493 | 29,405 | 27,194 | 59,086 |
| Clay products (from domestic clays) | 12 | 755 | 3,207 | 1,250 | 1,249 | 6,577 | 8,842 |
| Clay products (from imported clays) | 11 | 663 | 3,013 | 296 | 1,860 | 8,163 | 10,633 |
| Stone products | 60 | 581 | 2,278 | 236 | 1,607 | 3,642 | 5,533 |
| Asbestos products | 5 | 1,318 | 6,900 | 501 | 7,697 | 12,217 | 20,378 |
| Glass | 4 | 2,632 | 12,737 | 2,078 | 5,628 | 24,597 | 32,219 |
| Glass products | 34 | 576 | 2,084 | 116 | 4,362 | 3,955 | 8,440 |
| Abrasives | 4 | 305 | 1,706 | 1,591 | 2,315 | 2,986 | 6,804 |
| Gypsum products<br>Refractories<br>Other non-metallic mineral products | 17 | 763 | 3,600 | 652 | 11,460 | 13,814 | 26,018 |
| TOTAL | 417 | 13,700 | 64,586 | 16,990 | 85,052 | 161,958 | 263,767 |
| **18—Petroleum and Coal Products Industries:** | | | | | | | |
| Petroleum refineries<br>Lubricating oils and greases | 8 | 2,457 | 16,903 | 2,951 | 311,746 | 79,310 | 393,106 |
| Other petroleum and coal products | 10 | 161 | 675 | 142 | 2,507 | 2,917 | 5,504 |
| TOTAL | 18 | 2,618 | 17,578 | 3,093 | 314,253 | 82,227 | 398,610 |
| **19—Chemical and Chemical Products:** | | | | | | | |
| Explosives and ammunition | 8 | 3,043 | 14,738 | 1,333 | 15,960 | 27,957 | 44,085 |
| Mixed fertilizers | 10 | 375 | 2,067 | 162 | 10,805 | 4,693 | 15,755 |
| Plastic and synthetic resins | 9 | 1,724 | 10,487 | 2,100 | 27,614 | 43,510 | 73,439 |
| Pharmaceutical and medecines | 75 | 4,976 | 27,338 | 621 | 26,679 | 69,978 | 95,172 |
| Paint and varnish | 40 | 1,691 | 8,058 | 241 | 23,602 | 24,503 | 48,762 |
| Soap and cleaning compounds | 49 | 726 | 2,946 | 160 | 7,829 | 9,344 | 17,300 |
| Toilet preparations | 21 | 1,493 | 7,221 | 82 | 9,836 | 23,569 | 32,967 |
| Industrial chemicals | 32 | 3,829 | 22,936 | 9,013 | 46,971 | 68,451 | 124,180 |
| Printing inks | 8 | 238 | 1,290 | 46 | 1,750 | 2,694 | 4,545 |
| Other chemical industries | 94 | 1,846 | 9,120 | 779 | 19,107 | 22,069 | 42,056 |
| TOTAL | 346 | 19,941 | 106,201 | 14,537 | 190,153 | 296,768 | 498,261 |
| **20—Miscellaneous Manufacturing Industries:** | | | | | | | |
| Instruments and related products | 25 | 2,347 | 12,452 | 131 | 17,424 | 16,070 | 34,070 |
| Clocks and watches | 8 | 132 | 637 | 11 | 1,206 | 955 | 2,173 |
| Orthopedic appliances | 6 | 33 | 145 | 4 | 74 | 259 | 335 |
| Dental laboratories | 138 | 225 | 714 | 38 | 716 | 2,126 | 2,882 |
| Ophthalmic goods | 23 | 426 | 1,462 | 26 | 2,652 | 3,802 | 6,402 |
| Jewellery and silverware | 95 | 1,436 | 5,274 | 80 | 7,524 | 8,218 | 15,593 |
| Brooms brushes and mops | 35 | 478 | 1,456 | 29 | 2,951 | 2,255 | 5,167 |
| Venetian blinds | 16 | 110 | 347 | 21 | 486 | 501 | 1,002 |
| Plastic fabricators | 99 | 3,068 | 12,153 | 738 | 26,580 | 28,250 | 55,357 |
| Sporting goods<br>Toys and games | 49 | 1,886 | 5,703 | 198 | 8,771 | 9,324 | 18,090 |
| Fur dressing and dyeing | 9 | 557 | 2,416 | 66 | 1,086 | 3,460 | 4,601 |
| Signs and displays | 82 | 787 | 3,292 | 101 | 2,455 | 4,740 | 7,315 |
| Buttons, buckles and fastener | 26 | 1,004 | 3,326 | 82 | 4,773 | 5,666 | 10,445 |
| Candles | 12 | 293 | 1,145 | 53 | 1,284 | 1,707 | 3,033 |
| Hair goods | 3 | 29 | 74 | 3 | 256 | 117 | 375 |
| Artificial flowers and feathers | 14 | 187 | 544 | 20 | 690 | 978 | 1,678 |
| Models and patterns | 28 | 178 | 818 | 27 | 433 | 1,271 | 1,725 |
| Musical instruments and sound recording | 7 | 606 | 2,514 | 73 | 1,885 | 5,789 | 7,887 |
| Typewriter supplies | 4 | 105 | 407 | 12 | 681 | 710 | 1,379 |
| Fountain pens and pencils | 8 | 459 | 1,801 | 33 | 3,242 | 4,194 | 7,402 |
| Smokers supplies | 5 | 9 | 19 | 1 | 29 | 57 | 87 |
| Stamps and stencils (rubber and metal) | 16 | 187 | 830 | 24 | 638 | 1,371 | 2,018 |
| Statuary, art goods, regalia and novelty | 38 | 220 | 638 | 19 | 800 | 1,160 | 1,973 |
| Umbrellas | 4 | 86 | 267 | 3 | 504 | 430 | 913 |
| Artificial ice<br>Other miscellaneous industries | 19 | 1,386 | 5,484 | 194 | 4,003 | 10,696 | 14,472 |
| TOTAL | 769 | 15,234 | 63,918 | 1,987 | 91,143 | 114,106 | 206,374 |
| GRAND TOTAL | 11,193 | 463,037 | 1,945,040 | 186,673 | 4,833,235 | 4,375,785 | 9,205,911 |

Source: Manufacturing Section, Q.B.S.

Some of the durable goods industries are becoming increasingly important. For instance, the value of shipments in the electrical appliances and equipment industry reached $429,200,000 in 1965 — a 9.5% rise over 1964 — and the value of shipments in the transportation equipment industry was $444,000,000.

The over-all value of manufacturers' shipments in 1966 was $10.5 billion. Construction, always a key indicator of a country's economic activity and future prospects, has in recent years experienced an unprecedented upswing. This is due to the lively activity in industry and commerce, the population growth and the 1967 world exhibition.

For the past five years, average annual investment in the construction sector has been $2,000,000,000. Construction expenditure for 1966 may be divided as follows:

| | |
|---|---|
| Public buildings, roads and highways | $760 million |
| Housing | $592 million |
| Public utilities | $526 million |

In 1966, the construction of roads and highways alone necessitated a capital expenditure of $338 million.

Québec spends over $150 million a year on the construction of schools and other educational institutions. Over 42,000 housing units are built in the province every year and an additional 14,000 units will be needed after 1970.

Any businessman wishing to establish or develop an industrial enterprise in Québec, will find financial and technical assistance both in the public and private sectors. A series of government measures and voluntary efforts contribute effectively to his chances of success.

It would take too long to list here the numerous organizations which may be contacted for advice and assistance, depending on the nature of the business. In addition, Québec's Agencies in the United States and in Europe are able to deal with specific problems on the spot.

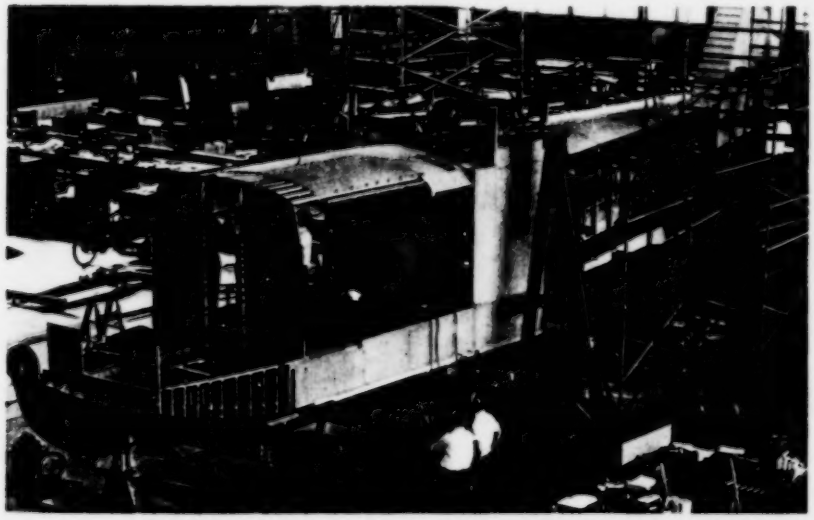
Among the different types of assistance available, we would mention the facilities offered by Québec's chartered banks, its savings banks and financing institutions. The province's financing institutions were created with a view to facilitating the establishment of new industries, the construction and extension of existing plants and the provision of working capital for the purchase or improvement of machinery and equipment.

Industries locating in Québec are assisted by the municipalities (Industrial Funds Act, industrial parks, etc.) as well as by the government (income tax exemptions, accelerated depreciation, abatement for research purposes, etc.).

Under the Area Development Incentives Act, the federal government makes cash grants to industries locating in designated areas. The grants

increase in proportion to private capital invested, up to a maximum of $5,000,000. For example, if the capital invested is $250,000 or less, the federal government will contribute one third of the amount invested.

The same provisions apply to existing industries. Another source of financing is the Industrial Development Bank, founded in 1944, which makes long-term loans to small and medium-sized enterprises wishing to develop their fixed assets, purchase machinery and equipment or increase their working capital.



*Amphibious flying boat on assembly line in Montreal. This versatile craft is adaptable for passenger, cargo, air tanker and other uses. France has ordered 10, other countries are interested.*

## VALUE OF CONSTRUCTION INDUSTRY BY SECTOR QUÉBEC

| | 1961 | 1966(*) |
|---|---|---|
| | $000 | |
| Total Value | 1,732,739 | 2,850,222 |
| Building Construction | 1,122,451 | 1,708,449 |
| Residential | 511,800 | 769,500 |
| Industrial | 104,588 | 183,415 |
| Commercial | 251,798 | 368,805 |
| Institutional | 177,070 | 287,648 |
| Other | 77,195 | 99,081 |
| Engineering Construction | 610,288 | 1,141,773 |

* Estimated
Source: Construction in Canada 1964-1966, D.B.S.

## RESIDENTIAL CONSTRUCTION - QUÉBEC

| | 1961 | 1966 |
|---|---|---|
| | Number | |
| Under Construction Jan. 1st | 13,959 | 24,512 |
| Housing Units Started | 34,215 | 37,772(*) |
| Housing Units Completed | 31,756 | 41,549(*) |
| Under Construction Dec. 31st | 15,661 | 20,838(*) |

* Estimated
Source: New Residential Construction, D.B.S.
Central Mortgage and Housing Corporation.

## MAIN CONSTRUCTION STATISTICS - QUÉBEC

| | 1961 | 1966 |
|---|---|---|
| Employment (number) | 82.7 | 104.6(*) |
| Remuneration ($'000) | 566,190 | 897,815(**) |
| Total Value of Work ($'000) | 1,732,739 | 2,850,222 |

(*) Preliminary figures. (**) Estimated figures.
Sources: Construction in Canada, 1964-1966, D.B.S.

## VALUE OF CONSTRUCTION INDUSTRY % CHANGES AS COMPARED WITH 1961 - QUÉBEC

| | 1966/61 | 1966 |
|---|---|---|
| | % | $'000,000 |
| Total Value | 64. | $2,850.2 |
| Building Construction: | | |
| Residential | 50. | 769.5 |
| Industrial | 75. | 183.4 |
| Commercial | 46. | 368.8 |
| Institutional | 62. | 287.6 |

*There is no shortage of housing in Montreal, and the public can find accommodations to suit every budget. Below, a luxury apartment tower in the heart of the city*

# population manpower, market

LEGISLATIVE LIBRARY OF ONTARIO
JUL 24 1967
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## Population

The latest estimates put Québec's population at 5,800,000, i.e. over 28% of Canada's total population. The majority of Quebecers (80.6%) are French-speaking, but most French Canadians are bilingual as the language of business in North America is English.

Between January 1966 and January 1967, the population of Québec increased by 1.6%, the natural growth rate being 16.8% per 1,000 population (1964) against 15.3 in Ontario. In 1971, the dominant age group — 0 to 19 years — is expected to number 2,800,000, or 44.3% of the total population.

Some 24,000 immigrants settle in Québec every year. This figure represents 25% of the total immigration to Canada. The immigrants come mostly from Italy, Great Britain, France, Greece and the United States.

Professionally, they are distributed as follows: construction, manufacturing and machine industries: 33%, professions and management: 32%, service trades: 16.5%. These immigrants are generally rather young (two thirds of them are under 30).

The general policy is to favour the immigration of technicians and skilled workers.

It is to be noted that, owing to its concentration in and near urban areas, the population of Québec is very unevenly distributed. The main concentrations of manpower are to be found in the Greater Montreal area (population: 2,500,000), the Québec City area (population: 500,000), the Eastern Townships (population: 300,000) and in the regions of Trois-Rivières (population: 300,000) and Lac Saint-Jean (population: 300,000).

### Distribution of the Population by Ethnic Group

| | Canada | | Québec | |
|---|---|---|---|---|
| British | 7,996,669 | (43.8%) | 567,057 | (10.8%) |
| French | 5,540,346 | (30.4%) | 4,241,354 | (80.6%) |
| German | 1,049,599 | (5.8%) | 39,457 | (0.7%) |
| Italian | 450,351 | (2.5%) | 108,552 | (2.1%) |
| Others | 3,201,282 | (17.5%) | 302,791 | (5.8%) |
| Total | 18,238,247 | (100.0%) | 5,259,211 | (100.0%) |

1961 Census of Canada, Dominion Bureau of Statistics.

### Natural Increase and Immigration

| | Period | Natural Increase Number | Rate per 1,000 pop. | Immigration Number |
|---|---|---|---|---|
| Québec | 1955-1965 | 1,088,848 | 19.5 | 301,254 |
| Canada | 1955-1965 | 3,533,720 | 18.3 | 1,391,647 |

Source: Vital Statistics, (D.B.S.)

### Labour Force

| Age group | .000 | |
|---|---|---|
| | 1961 | 1966 |
| 14 – 19 | 209 | 235 |
| 20 – 24 | 267 | 342 |
| 25 – 44 | 827 | 920 |
| 45 – 64 | 463 | 564 |
| 65 + | 46 | 55 |
| TOTAL | 1,812 | 2,116 |

Source: Special Surveys Division (D.B.S.)

## Manpower

The 4.6% increase in Québec's manpower during 1965-66 was the highest recorded in the last four years. It is worth noting that the biggest increases were in the 14 to 19 and 20 to 24 age groups (6% and 5.7% respectively).

While labour is constantly on the increase in the secondary and tertiary sectors, it is steadily diminishing in the primary sector. Employment is growing faster in the durable goods sector than in the non-durable goods sector, especially in the following industries: iron and steel, electrical equipment and appliances, wood products, non-ferrous metals.

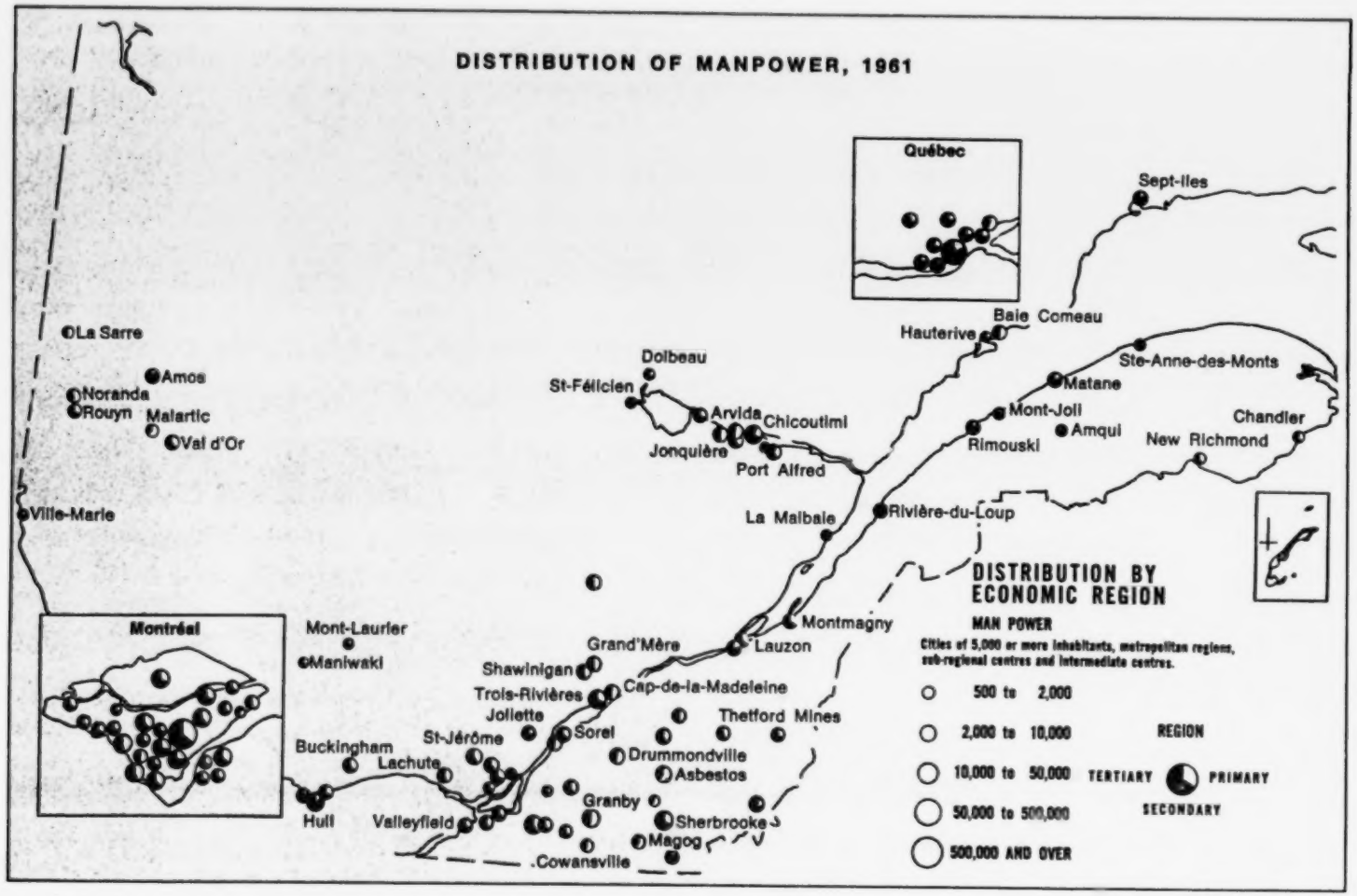
Employment has also increased in some non-durable goods industries, such as the textile, clothing and printing industries. For several years now employment in the service trades, which reflect the people's standard of living, has been growing faster than employment in the other sectors.

*Large numbers of qualified workers are kept busy in residential and public construction.*

In recent years, great efforts have been made to raise the level of education in Québec and to train qualified workers and specialized technicians. As a result, expenditure on education and vocational training has increased almost fourfold in the last ten years and now accounts for 8.8% of the province's gross income and 6% of its gross product. Between 1953 and 1963, the school boards increased their expenditures four-and-a-half times and universities and colleges, six times.

School attendance is compulsory up to the age of 15 and public elementary and secondary education is free. In addition to subsidizing private secondary schools and universities, the government operates a student loans program which enables students to borrow up to 5,000 dollars.

*Québec has all kinds of skilled technicians.*



A large number of specialized establishments train competent technicians in every field. The subjects taught range from aeronautics and textiles to trade and construction. The numerous trade schools include establishments teaching pulp and paper production, applied art, graphic arts, the manufacture of textiles and furniture, the automotive trades, the butcher's trade, domestic arts, agricultural technology and forestry.

As for the building trade, Québec offers apprenticeship courses covering all branches of construction. These courses have a unique feature in that they are sponsored jointly by the employers, the unions and the government.

### Trade Unionism

The trade union movement got off to a very late start in Québec. At the beginning of the century, Québec had 135 local unions against Ontario's 547. A third of all salaried workers are union members. The unions are affiliated with the Québec Federation of Labour (Q.F.L.) or the Confederation of National Trade Unions (C.N.T.U.). Workers are protected by the Unemployment-Insurance Act.

## One of North America's Largest Markets

### Purchasing Power

Remuneration of economic agents in 1966 was $11,019,000,000, a 9.8% rise over 1965. This rise is largely due to a marked increase in salaries and other labour income.

In recent years, the employment growth rate has been averaging 4.2% a year (5.4% in 1966). The annual increase in weekly wages in the industrial sector has been 4.4% on an average (6.5% in 1966).

Per capita personal income in 1966 was 1,913 dollars. This represents an increase of 158 dollars in absolute terms and an increase of 9% in relative terms as compared with 1965. Personal income increases faster in Québec than in Ontario and the rest of Canada.

### Personal Expenditure on Consumer Goods

Québec's households spend over 93% of their disposable income on consumer goods and services. In 1966, their expenditure came to 9,060,000,000 dollars, 9.1% more than in 1965, while per capita expenditure reached 1,577 dollars. Taking into account the 3% increase in the prices of consumer goods, real expenditure per household and per head has risen by 4%. This indicates an increase in disposable income.

During the same period, retail sales increased by 5%, totalling 5,701,500,000 dollars. Car sales (845,800,000 dollars in 1966) account for almost one third of this increase.

## Distribution of Income — Québec 1964

| | Tax-payers | | Income | |
|---|---|---|---|---|
| | Number | % of total | Number | % of total |
| — 1,000 | 5,081 | 0.4 | 3,001 | 0.05 |
| 1,000 — 1,999 | 177,414 | 12.9 | 277,093 | 4.3 |
| 2,000 — 2,999 | 246,698 | 18.0 | 620,517 | 9.7 |
| 3,000 — 3,999 | 269,860 | 19.7 | 943,075 | 14.8 |
| 4,000 — 4,999 | 246,633 | 18.0 | 1,103,751 | 17.3 |
| 5,000 — 5,999 | 167,235 | 12.2 | 911,579 | 14.3 |
| 6,000 — 6,999 | 96,449 | 7.0 | 620,339 | 9.7 |
| 7,000 — 7,999 | 52,142 | 3.8 | 388,437 | 6.1 |
| 8,000 — 8,999 | 30,956 | 2.2 | 261,787 | 4.1 |
| 9,000 — 9,999 | 18,903 | 1.4 | 178,277 | 2.8 |
| 10,000 — 14,999 | 36,510 | 2.6 | 432,999 | 6.8 |
| 15,000 — 19,999 | 11,232 | 0.8 | 191,144 | 3.0 |
| 20,000 — 24,999 | 4,972 | 0.4 | 110,418 | 1.7 |
| 25,000 — and up | 8,063 | 0.6 | 343,440 | 5.4 |
| TOTAL | 1,372,148 | 100.0 | 6,385,857 | 100.05 |

Taxation Statistics, 1966, Department of National Revenue, Ottawa.

## Cost of Living Index

| 1960 = 100 | 1961 | 1966* |
|---|---|---|
| Greater Montreal | 101 | 111 |
| Canada | 101 | 112 |
| United States | 101 | 110 |
| Netherlands | 101 | 128 |
| Germany | 102 | 119 |
| Italy | 102 | 130 |
| France | 103 | 123 |
| United Kingdom | 103 | 124 |

* June

Sources: Statistical Bulletin O.E.C.D. and Prices and Price Indexes, D.B.S.

## Personal Expenditures on Goods and Services — Québec

| | ($ 000,000.) 1961 | 1966 | % 1966/61 |
|---|---|---|---|
| Food | 1,674 | 2,446 | 27.0 |
| Clothing | 682 | 997 | 11.0 |
| Housing | 1,984 | 2,899 | 32.0 |
| Health Care | 434 | 634 | 7.0 |
| Transportation | 744 | 1,087 | 12.0 |
| Tobacco and Alcohol | 373 | 544 | 6.0 |
| Recreation | 310 | 453 | 5.0 |
| TOTAL | 6,201 | 9,060 | 100.0 |

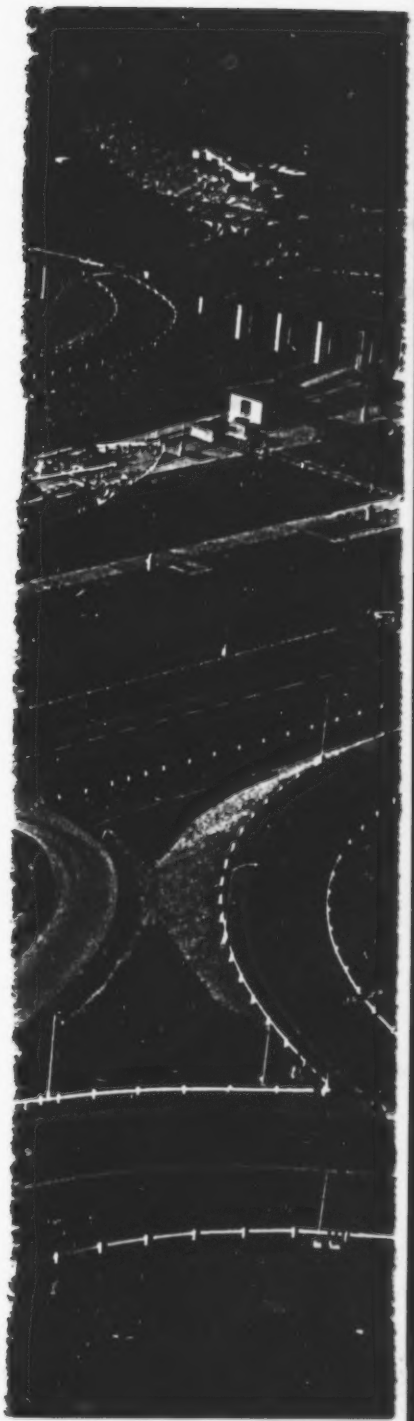
Prices and Price Indexes, D.B.S.

| **Income - Québec** ($ 000,000.) | 1961 | | 1966* |
|---|---|---|---|
| Personal Income | 7,272 | | 10,990 |
| Wages, Salaries and Supplementary Labour Income | 4,974 | | 7,668 |
| Personal Disposable Income | 6,689 | | 9,891 |
| Corporation Profits before Taxes | 1,137 | | 1,567 |
| Per Capita Personal Income | | 66/61 + 38.3% | |

* Estimated.

Source: Economic Research Bureau, Department of Industry and Commerce, Québec.

# transport and communications



LEGISLATIVE LIBRARY OF ONTARIO
JUL 24 1967
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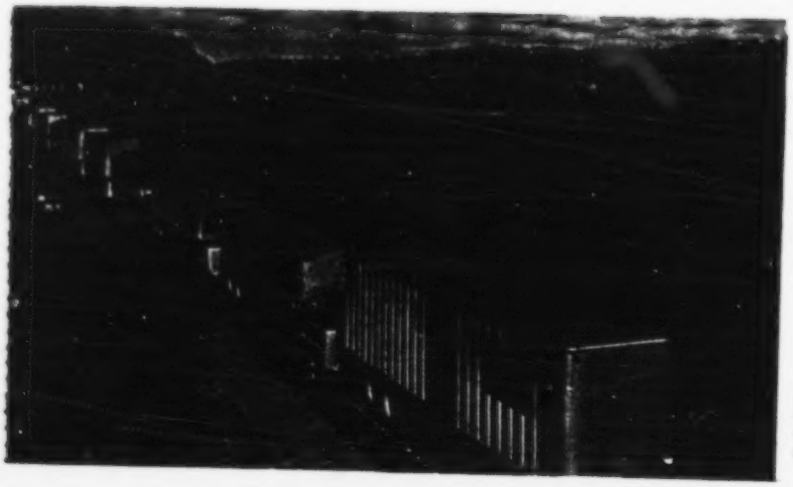
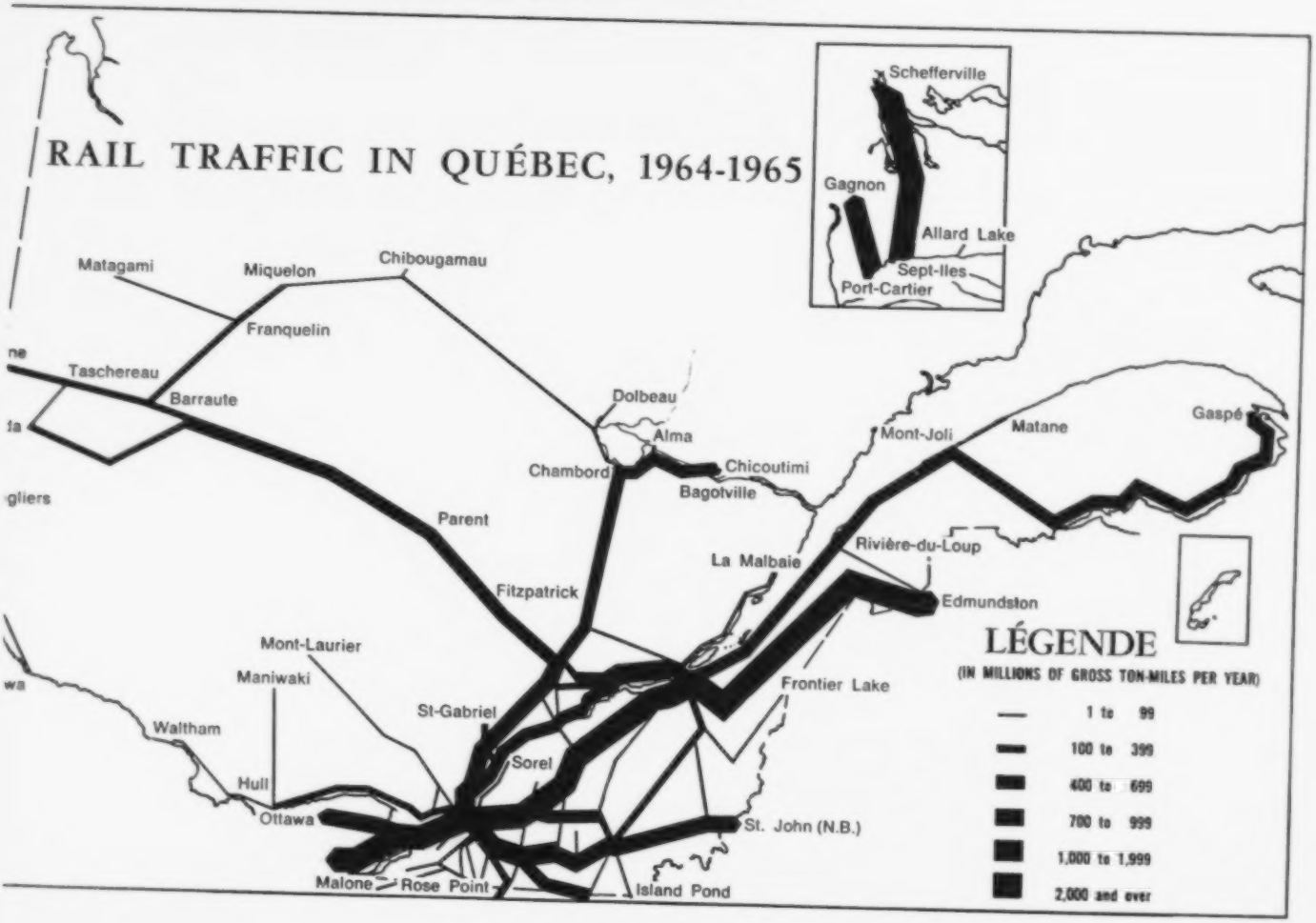
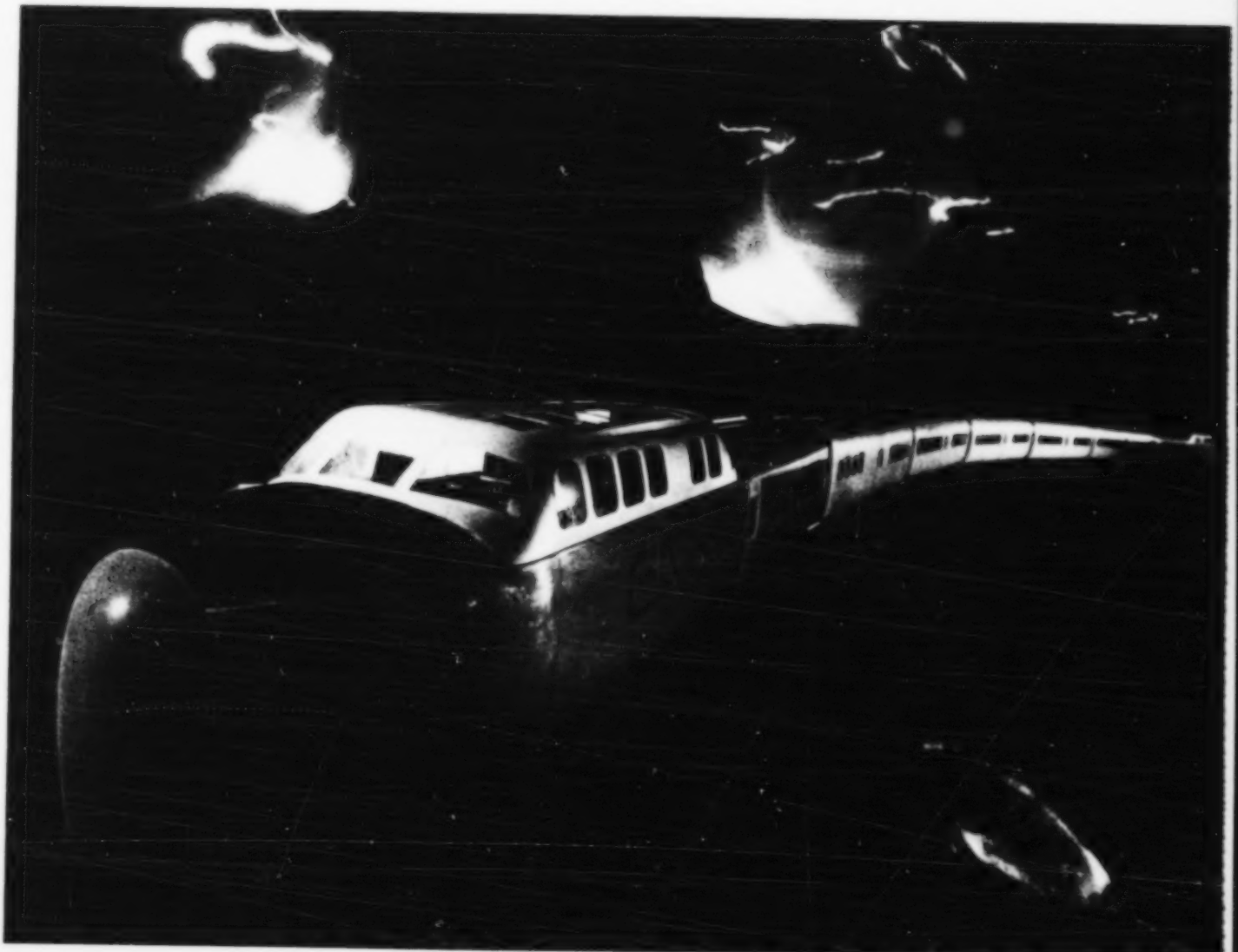


*Shipping via "Piggyback" is very widespread in Québec, accounting for nearly half of the national total. One railway company alone carries on the average 30,000 "Piggyback" car-loads per year in Québec.*



**The Railway System**

The first project of a railway system linking all major industrial cities of the United States and Canada, with Montréal at the centre, goes back to 1850. Today, Québec is crossed by a great number of railway lines running parallel to the main highways. Several railroads were specially constructed to open up the vast northern territories to mining and industry. The two national railway companies which operate from coast to coast are the government-owned Canadian National and the privately owned Canadian Pacific Railway Company. The head offices of both companies are in Montréal.



*Turbo-trains link Montreal and Toronto, spanning the 335-m*

**Roads and Highways**

The dimensions of our highway system are in proportion to the vast distances of this continent. Québec extends from the 45th parallel to beyond latitude 62° north, covering a distance of 1,250 miles between the frontier of the State of New York and Hudson Strait. The total area measures 594,860 square miles.

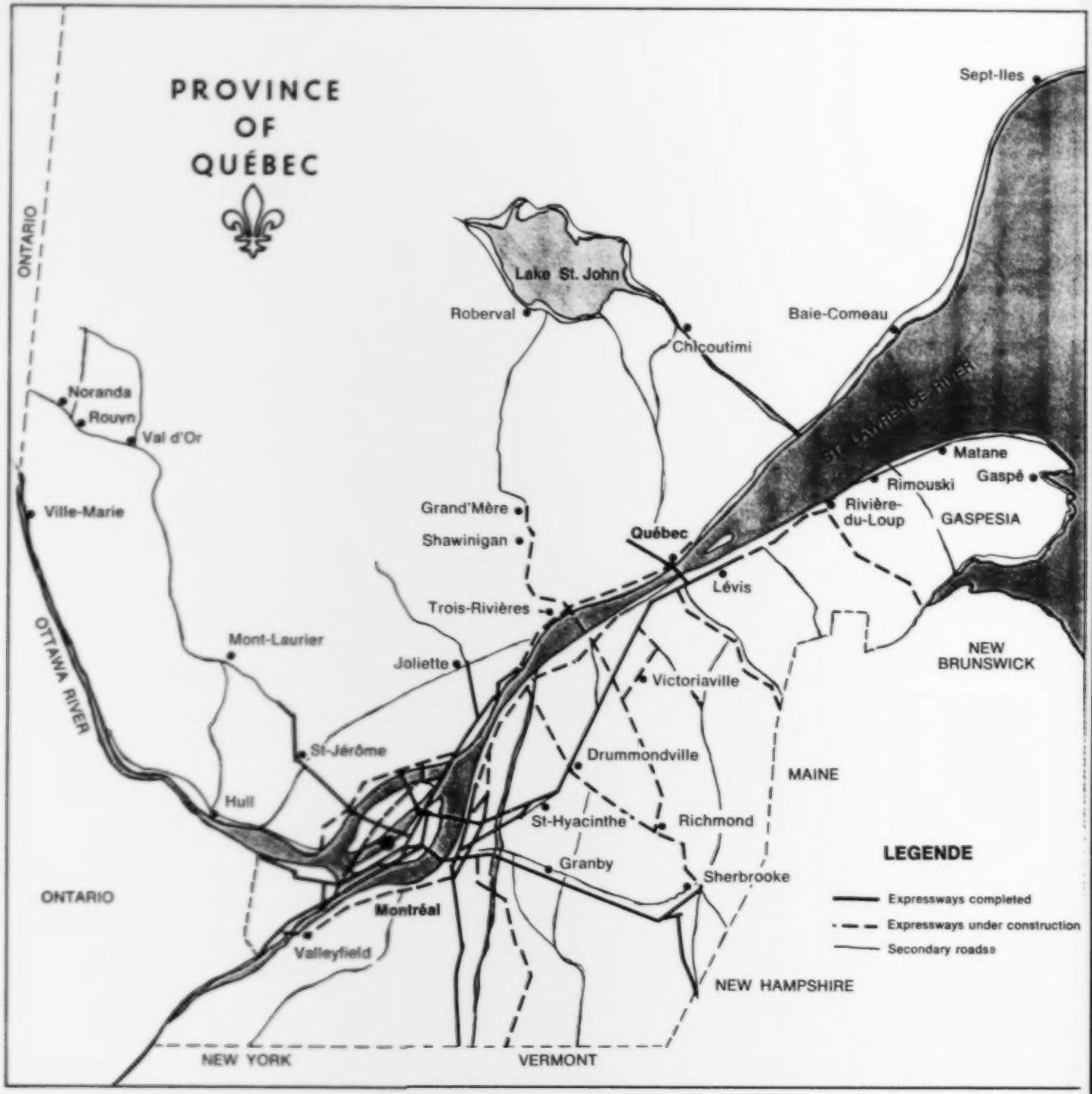
Québec's highly developed highway system is constantly expanding. A vast road construction program, begun a few years ago and still in progress, has radically changed road transport conditions. Broad new highways, expressways and communication roads bring the different regions of Québec within easy reach of one another.

At January 1, 1967, Québec's road system extended over 46,000 miles, of which 414 miles were highways and expressways. Of particular interest are the Trans-Canada Highway, linking Montréal with Québec, the Eastern Townships Autoroute (Montréal-Sherbrooke) and the Laurentian Autoroute, which gives access to tourist centres north of Montréal. In addition, there is a highly efficient network of entry roads into Montréal. Another highway now under construction, of which one section has been completed, will follow the north shore of the St. Lawrence and connect Montréal with Québec.

Nowadays, the road plays a major part in passenger and goods transport. Between 1942 and 1957, the volume of road traffic rose from 38.7% to 45.7%. During the 1964-65 fiscal period, 17% of all government expenditure went into road works: 150 million dollars was allocated for the construction of highways.

In addition, there has been a very considerable increase in car sales. Between 1961 and 1966, there was an increase of 49.5% in the number of automobiles in Québec. Car sales in 1966 totalled 845,784,000 dollars. In twelve years, the distances travelled increased by 130% (against 96% for Ontario and 110% for Canada as a whole).

Québec has an excellent goods and passenger transport system. Of the 200,000 trucks which operate in the province, 16,700 (8.8%) are for-hire trucks, 38,379 (20.1%) private intercity vehicles, 96,721 (50.6%) private urban vehicles and the remainder — 39,200 (20.5%) — farm trucks. A considerable number of air-conditioned buses serve all localities in Québec.


PROVINCE OF QUÉBEC
ONTARIO
Sept-Iles
Lake St. John
Roberval
Baie-Comeau
Chicoutimi
ST. LAWRENCE RIVER
Noranda
Rouyn
Val d'Or
Matane
Gaspé
Rimouski
Ville-Marie
Grand'Mère
Rivière-du-Loup
GASPESIA
Shawinigan
Québec
Lévis
Trois-Rivières
OTTAWA RIVER
Mont-Laurier
Joliette
NEW BRUNSWICK
Victoriaville
St-Jérôme
Drummondville
MAINE
Hull
St-Hyacinthe
Richmond
Granby
Sherbrooke
ONTARIO
Montréal
Valleyfield
NEW HAMPSHIRE
NEW YORK
VERMONT
LEGENDE
Expressways completed
Expressways under construction
Secondary roads

PROVINCE OF QUÉBEC
ONTARIO
Sept-Iles
Lake St. John
Roberval
Baie-Comeau
Chicoutimi
ST. LAWRENCE RIVER
Noranda
Rouyn
Val d'Or
Matane
Gaspé
Rimouski
Ville-Marie
Grand'Mère
Shawinigan
Rivière-du-Loup
GASPESIA
Québec
Lévis
Trois-Rivières
OTTAWA RIVER
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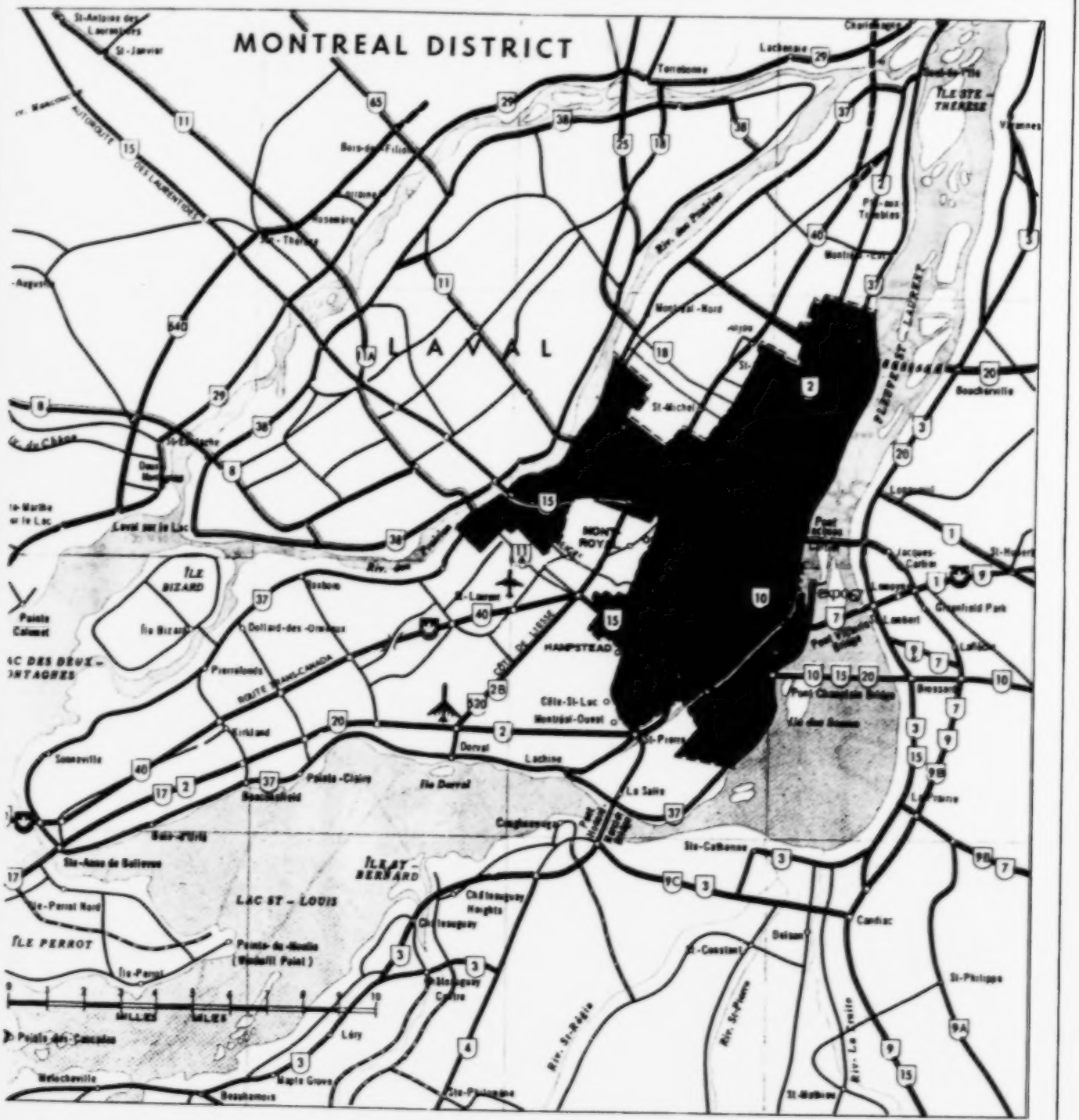
Expressways under construction
Secondary roads


MONTREAL DISTRICT
LAVAL
ILE BIZARD
ILE PERROT
LAC ST - LOUIS
ILE STE - THERESE
ILE AUX TOURTES
ILE DORVAL
ILE AUX SOEURS
ILE AUX VACHES
ILE AUX CERISES
ILE DES PRAIRIES
ILE BOUCHARD
ILE MADELEINE
ILE DE LA VISITATION
ILE DE LA PAIX
ILE DE LA FRAISE
ILE DE LA GIROFLE
ILE DE LA CHEVRE
ILE DE LA CHENAIE
ILE DE LA CHAUDIERE
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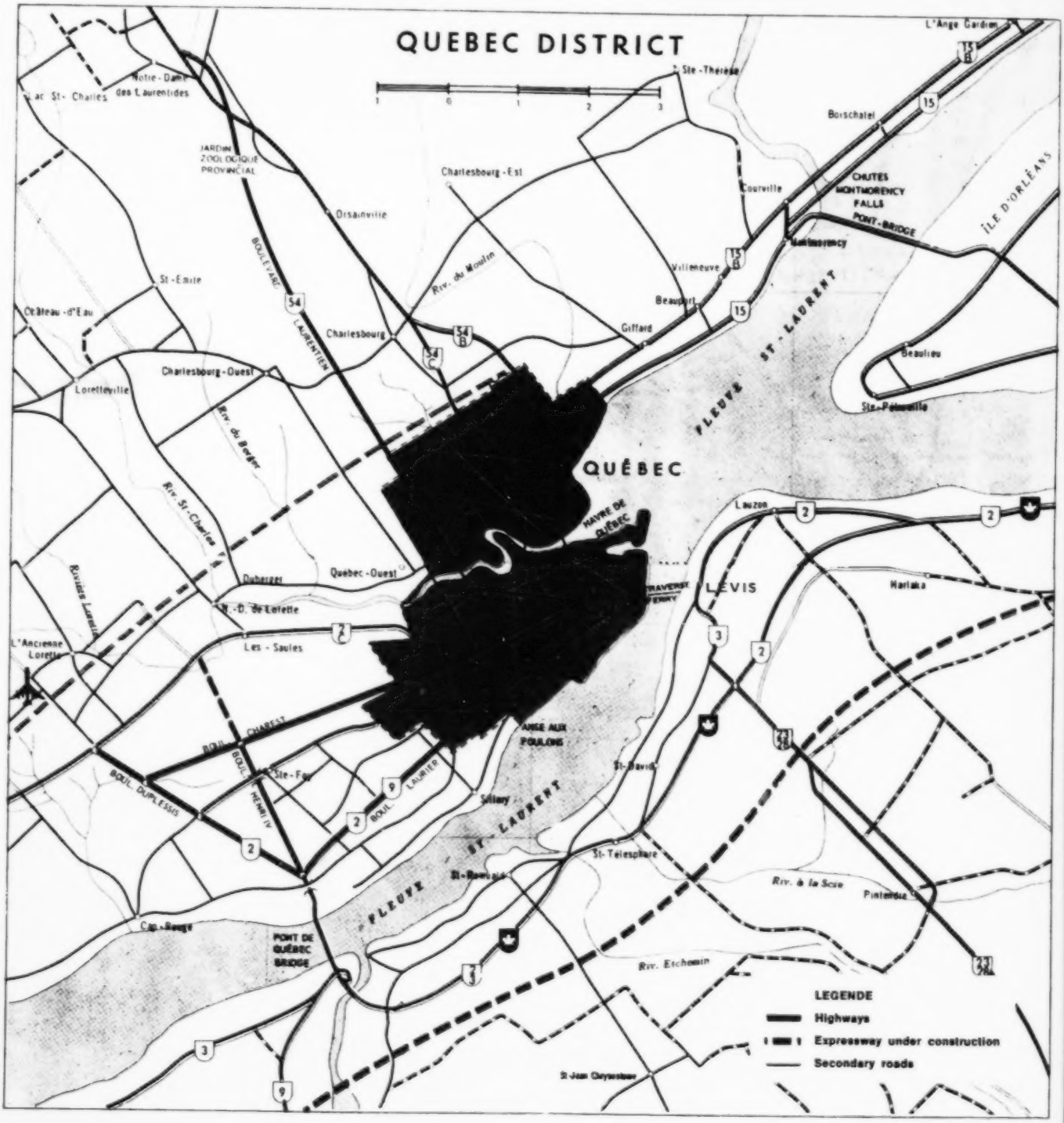
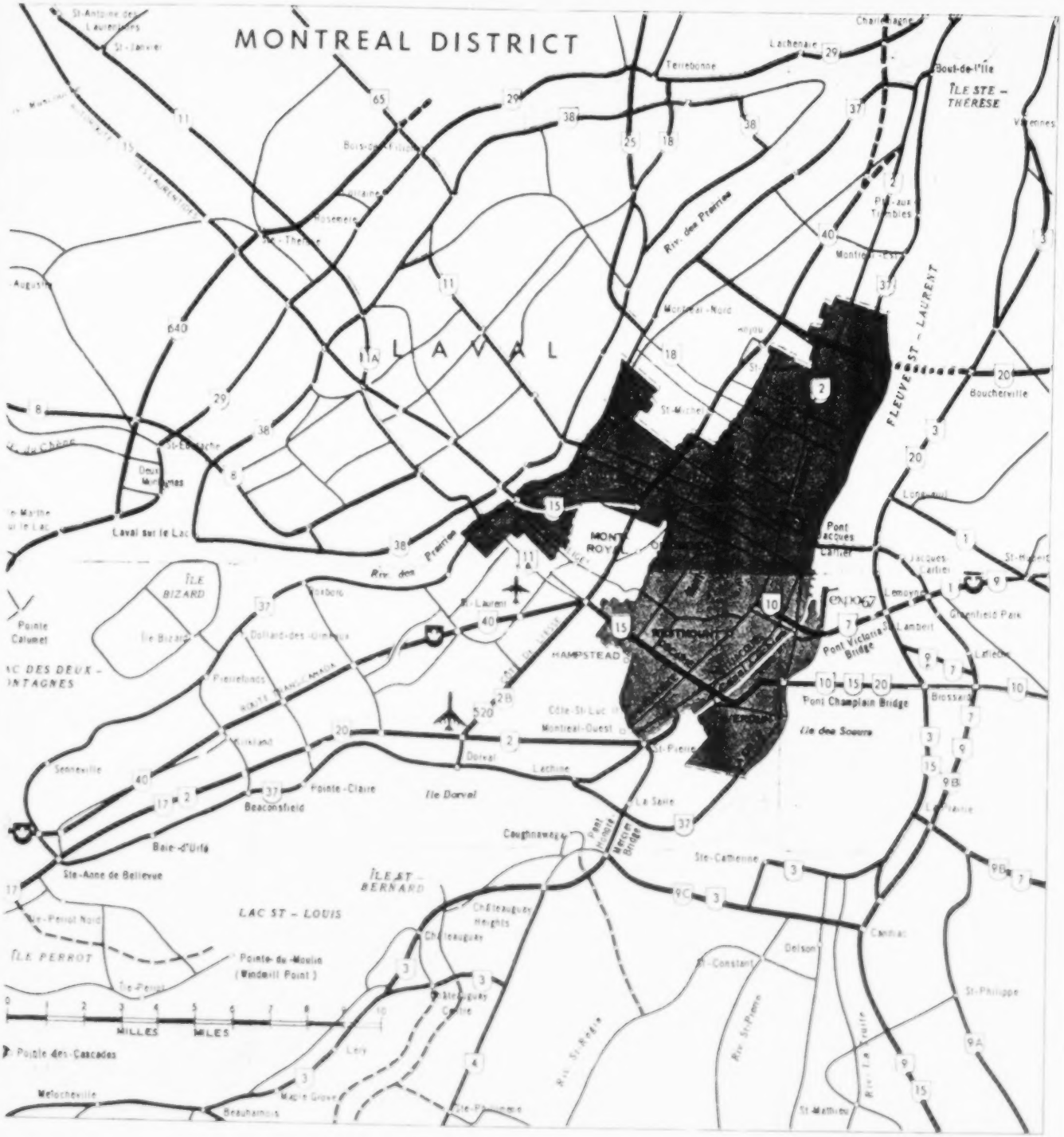
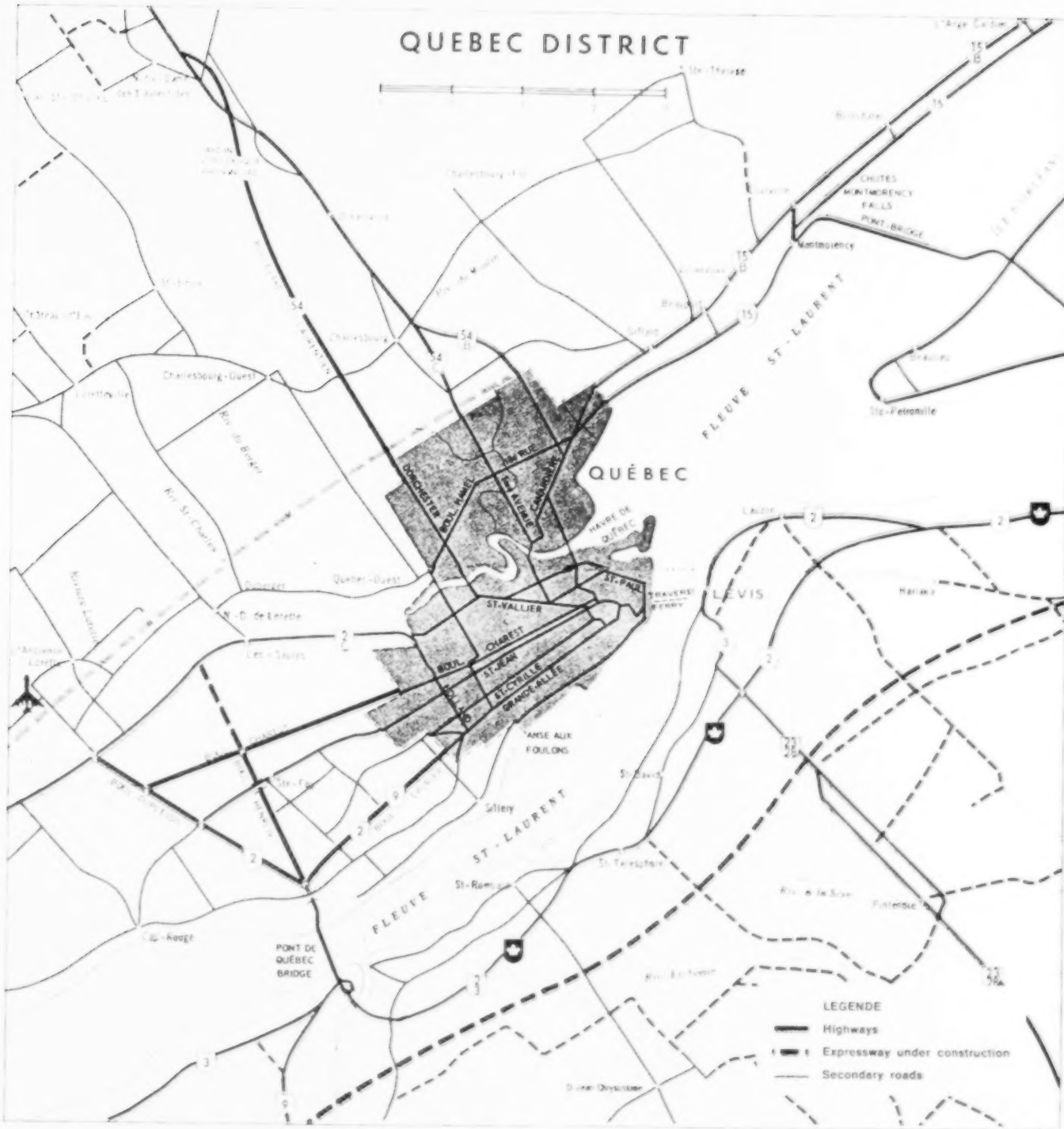
ILE DE LA CHAUDIER

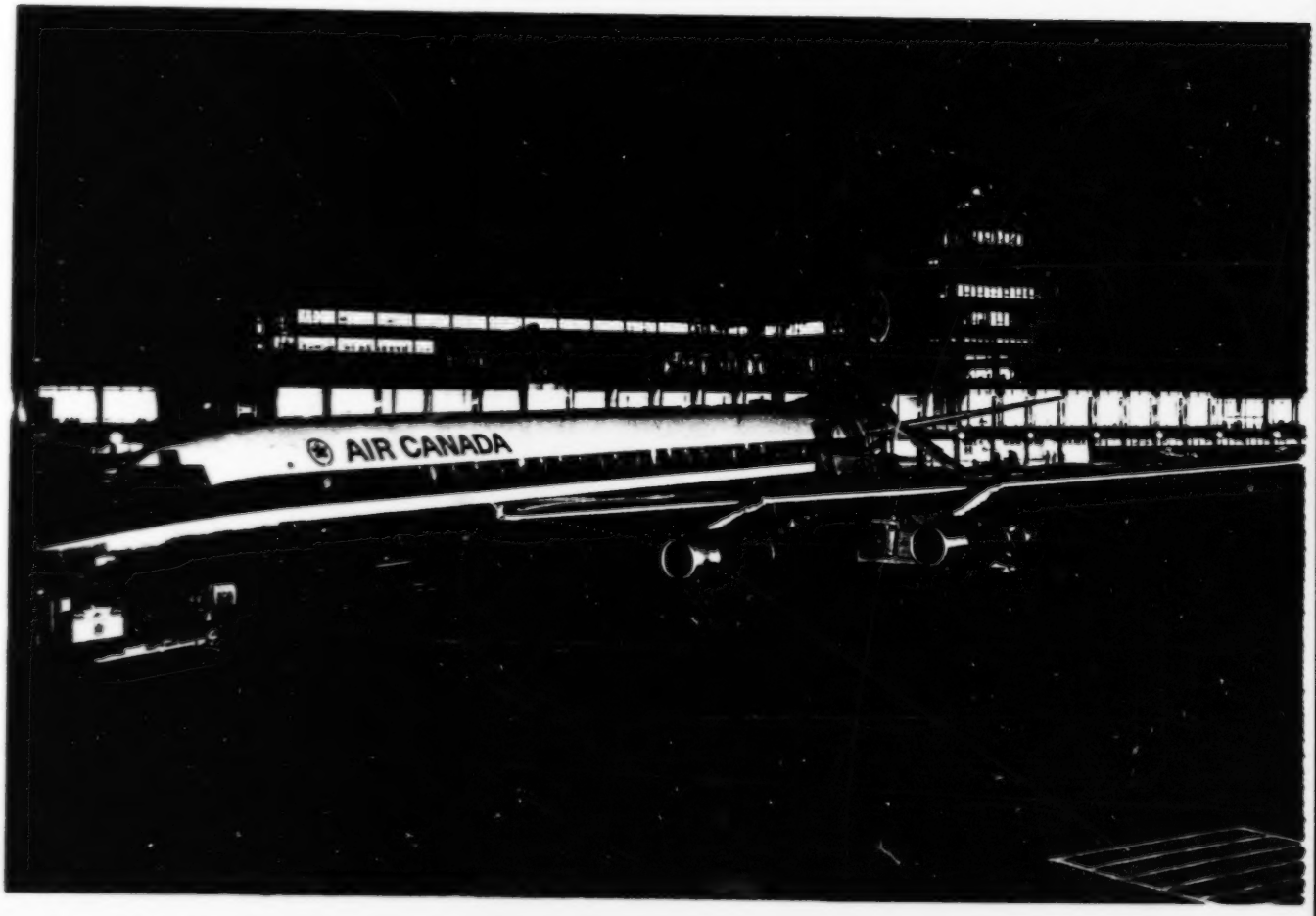

QUEBEC DISTRICT
1 0 1 2 3
Lac St- Charles
Notre-Dame des Laurentides
JARDIN ZOOLOGIQUE PROVINCIAL
Orsainville
Charlesbourg-Est
Ste-Thérèse
Boischatel
L'Ange Gardien
Courville
CHUTES MONTMORENCY FALLS
PONT-BRIDGE
ÎLE D'ORLÉANS
Montmorency
Villeneuve
Beauport
Giffard
Beaulieu
Ste-Pétronille
St-Emile
Ch'Bleau-d'Eau
Charlesbourg
Charlesbourg-Ouest
Lorettaville
Riv. du Moulin
Riv. du Berger
Riv. St-Charles
QUÉBEC
PLEUVE ST-LAURENT
HAVRE DE QUÉBEC
Lauzon
LÉVIS
Hartaka
Quebec-Ouest
Dubuisi
N.-D. de Lorette
Les-Saules
L'Ancienne Lorette
Rivière Lorette
BOUL. CHAREST
BOUL. DUPLESSIS
BOUL. HENRI IV
Ste-Foy
BOUL. LAURIER
ANSE AU FOULON
Sillery
St-Davids
St-Telesphore
St-Romuald
Riv. à la Scie
Pintendre
Cap-Rouge
PONT DE QUÉBEC BRIDGE
Riv. Etchemin
St Jean Chrysostome
LEGENDE
Highways
Expressway under construction
Secondary roads


MONTREAL DISTRICT
LAVAL
ÎLE STE – THÉRÈSE
ÎLE BIZARD
ÎLE PERROT
ÎLE DORVAL
ÎLE DES SOEURS
LAC ST – LOUIS
FLEUVE ST – LAURENT
Rivière des Prairies
Pont Jacques Cartier
Pont Victoria Bridge
Pont Champlain Bridge
Pont Mercier Bridge
Pointe-Claire
Beaconsfield
Baie-d'Urfé
Ste-Anne de Bellevue
Pointe-du-Moulin (Windmill Point)
Pointe des Cascades
Boucherville
Varennes
Terrebonne
Lachenaie
Repentigny
Mascouche
Châteauguay
Delson
St-Philippe
St-Mathieu
Beauharnois
Melocheville
MILLES
MILES


QUEBEC DISTRICT
QUÉBEC
LÉVIS
FLEUVE ST-LAURENT
CHUTES MONTMORENCY FALLS
PONT-BRIDGE
Montmorency
Ste-Pétronille
Beauport
Charlesbourg-Ouest
Québec-Ouest
Les Saules
Sillery
St-Romuald
St-Nicolas
St-Lambert
St-Jean-Chrysostome
Pintendre
Ste-Foy
Cap-Rouge
PONT DE QUÉBEC BRIDGE
TRAVERSE LÉVIS
ANSE AUX FOULONS
DORCHESTER
BOUL. HAMEL
DUFFERIN
TERRASSE
AVENUE
CHAMPLAIN
RUE DU PONT
HAVRE DE QUÉBEC
ST-PAUL
ST-VALLIER
CHAREST
BOUL.
ST-JEAN
ST-CYRILLE
GRANDE-ALLÉE
LEGENDE
Highways
Expressway under construction
Secondary roads

**Montréal: International Aviation Centre**
Montréal is the headquarters of the International Civil Aviation Organization and the International Air Transport Association.

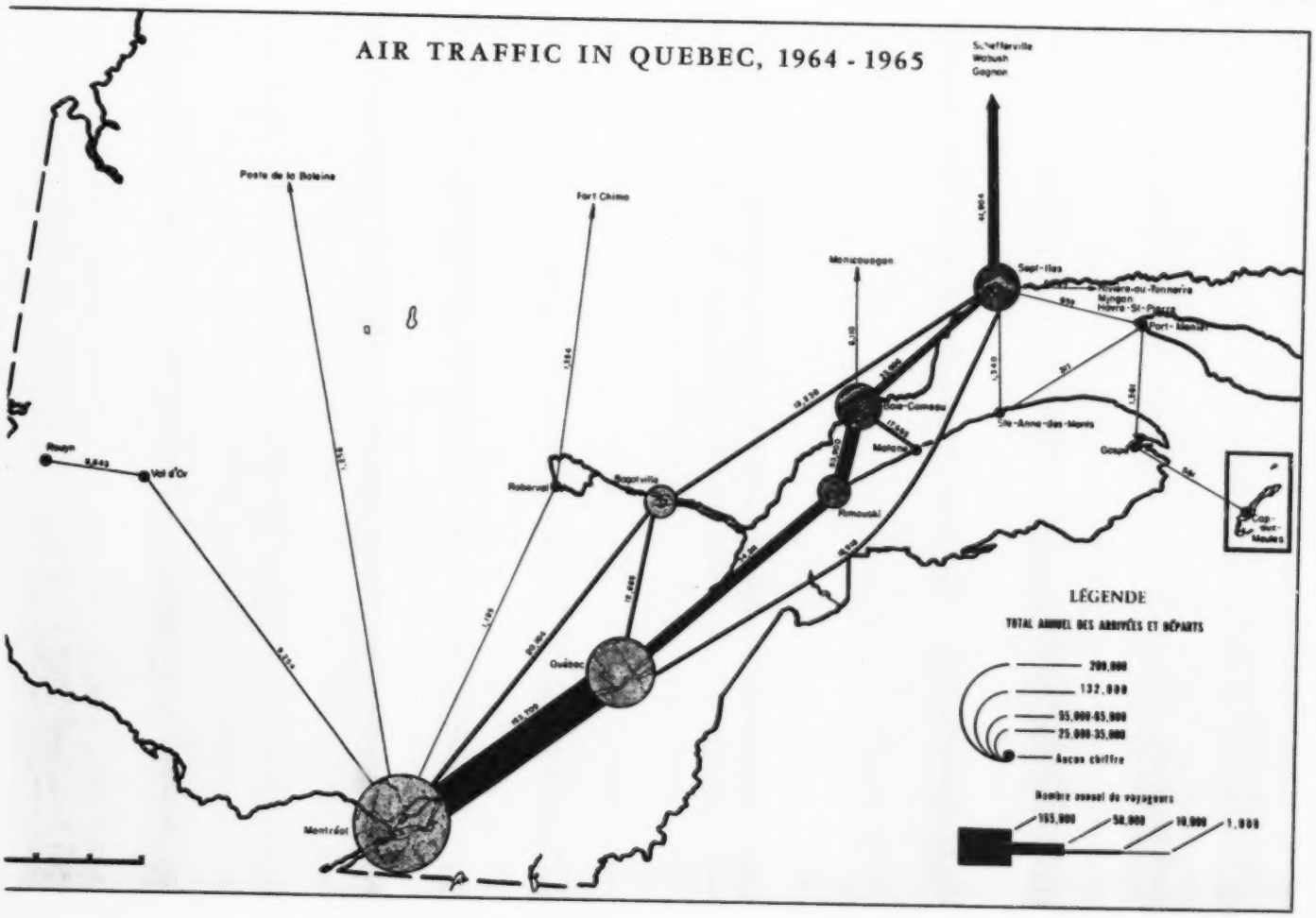
For many international airlines, Montréal's Dorval Airport is either a terminus or an important intermediate landing point. The Province of Québec is therefore connected with all large cities on the American continent and with the capitals of the entire world. In addition, there are several airlines serving the principal regions of the province, including New Québec.
Distance is no barrier to economic development. First-rate road, rail and air transport networks and a highly developed communications system facilitate world-wide trade exchanges.



In the field of telecommunications, it is worth noting that Canada has the largest number of telephones per capita (90% of all households have dial telephones). Long distance calls may be made by Direct Distance Dialing (DDD) all over North America.

**Québec leads the way in Telephone Communications**

In Montreal, the Bell Telephone Company of Canada is using an electronic switching centre, one of the first installations of its kind in the world and the first in Canada. It was first set up to serve the needs of the Expo 67 site. This new technique provides amazingly efficient service to business and private subscribers alike, opening the door to a new era in telecommunications. In addition, Bell has been testing new micro-wave bands which will provide ready access to the resources-rich northern territories.



# trade and finance

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# Trade and Finance

As a major consumption and production centre, the Province of Québec is a choice market for its immediate neighbours as well as for countries overseas.

Between 1960 and 1965, per capita consumption rose by 4.8% and private and public investments by 51.5%. As shown in the annexed tables, the retail trade almost doubled in value between 1951 and 1961. Retail sales were up to $5.73 billion in 1966, a 5.4% increase over 1965. In 1966, the population of Greater Montreal (2,550,000) bought 60% of the goods sold in the province.

**Selling Facilities**

In addition to the advantages referred to above, i.e. a highly concentrated population with a steadily and rapidly growing purchasing power, numerous retail outlets and a highly developed commercial infrastructure, there are exceptional facilities for attracting business.

Economically and technically, Canada offers great advantages for new and expanding business enterprises. As everywhere else on the North American continent, publicity plays a vital role. Numerous firms specialize in advertising, public relations and publicity techniques of all kinds.

Québec's 14 daily newspapers, of which ten appear in French, have an aggregate circulation of 1,100,000. There are eleven weekly or monthly publications with a circulation of 694,000, and about a hundred regional weeklies. These advertising media are supplemented by some fifty trade reviews and professional and technical journals covering all sectors of the economy.

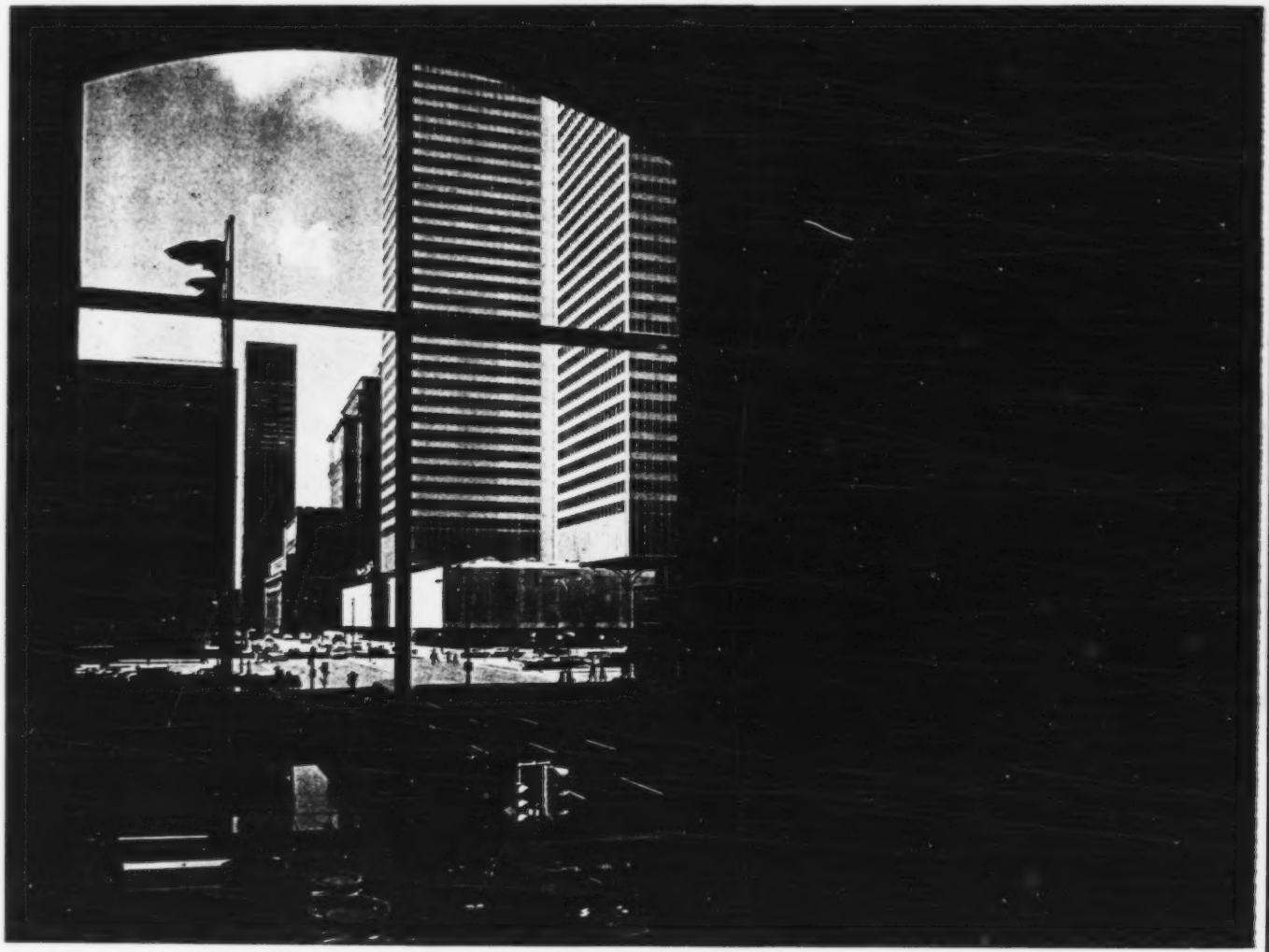
Ninety-five per cent of Québec's households have at least one television set. Of the province's 18 television stations, 13 are French. There are 62 radio stations.

The same media are used throughout North America to promote the sale of goods made in, or imported into, Québec. The Québec market offers the businessman an opportunity of acquiring a first-hand knowledge of North American sales techniques, thus facilitating his access to U.S. markets.

## SERVICE TRADES by Kind of Business, 1961

| Kind of Business | Locations | Receipts | Year-End Inventory | Paid Employees | |
|---|---|---|---|---|---|
| | | | | Number | Payroll for year |
| | | $'000 | $'000 | | $'000 |
| Amusement and Recreation | 1,323 | 63,240 | 1,363 | 7,362 | 13,725 |
| Business Services | 766 | 71,009 | 873 | 7,714 | 31,116 |
| Personal Services | 8,991 | 109,870 | 9,320 | 15,677 | 37,811 |
| Repair | 804 | 14,264 | 1,776 | 1,131 | 3,990 |
| Undertaking and Funeral | 594 | 21,141 | 1,181 | 1,139 | 3,450 |
| Photography | 399 | 11,472 | 832 | 813 | 2,390 |
| Miscellaneous | 303 | 50,968 | 2,929 | 5,101 | 18,472 |
| Hotels and Restaurants | 10,623 | 479,415 | 13,828 | 43,026 | 90,186 |
| TOTAL | 23,803 | 821,379 | 32,102 | 81,963 | 201,140 |

Source: 1961 Census of Canada, D.B.S.



# Finance

### Montreal at the Centre of Financial Activity

Montreal is Canada's metropolis and one of the most important financial centres in North America. The Montreal Stock Exchange and the Canadian Stock Exchange are under the same roof — an ultramodern skyscraper — and their highly sophisticated equipment (electronic quotation boards, computers and closed-circuit T.V.) ensures the best possible service and on-the-spot processing of inquiries.

During 1966, about 15 new securities were listed on the Montreal Stock Exchange and further additions may be expected in 1967. About 42 million shares worth $860,000,000 were traded in 1966.

Québec's specialized banking system consists of Chartered Banks, Savings Banks, Caisses populaires and other financial institutions.

### Chartered Banks

There are eight chartered banks which accept deposits from the public and make loans covering a wide range of commercial, industrial and agricultural activities. They also buy and sell stocks and shares and deal in foreign exchange.

### Savings Banks

Neither the Québec Savings Bank nor the Montreal City and District Savings Bank may make commercial loans. They do, however, make mortgage loans.

**CANADIAN CHARTERED BANKS - NUMBER OF BRANCHES IN QUÉBEC (December 31, 1964)**

| | |
|---|---|
| Bank of Montreal | 176 |
| Bank of Nova Scotia | 60 |
| National Canadian Bank | 588 |
| Provincial Bank of Canada | 321 |
| Canadian Imperial Bank of Commerce | 167 |
| Mercantile Bank of Canada | 1 |
| Royal Bank of Canada | 162 |
| Toronto-Dominion Bank | 64 |
| TOTAL | 1,539 |

### Caisses populaires

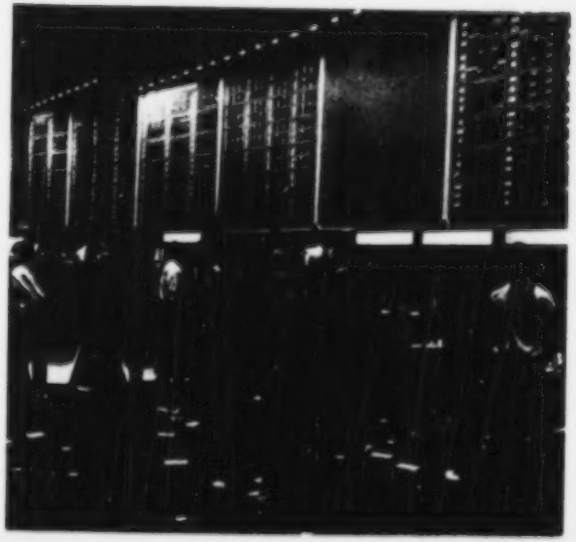
The Caisses populaires, a co-operative enterprise specializing in savings and personal loans, have 1,300 branches in Québec and a capital in excess of one billion dollars.

### Other Sources of Financing

The Industrial Development Bank, a subsidiary of the Bank of Canada, makes long-term loans to small and medium-sized enterprises.

Trust companies, insurance companies and numerous other organizations give financial assistance to all types of industrial and commercial enterprises for the construction or extension of plants, the purchase and modernization of equipment, etc.

*Ultra-modern electronic equipment facilitates the operations of the exchanges.*



The General Investment Corporation, of which the Government of Québec is a minority shareholder, was established to facilitate the creation and expansion of industrial enterprises.

## Government Facilities

The numerous services of Québec's Department of Industry and Commerce are at the disposal of all industrialists and businessmen in need of information. Economic data, technical advice, a variety of statistics, as well as information on market research, trade regulations, customs tariffs, marketing, etc., are all readily available.

The Department's Trade and Service Division furnishes business firms with advice and information on market conditions. At the same time, the division tries to improve consumer goods and services, thus protecting the consumer from unfair business practices.

The Division in charge of Industrial Exhibitions arranges for Québec exporters to participate in international exhibitions and trade fairs. It also arranges for Québec products to be exhibited in various parts of Canada, so as to secure our manufacturers a fair share in the domestic market.

The Trade Missions Division organizes and co-ordinates visits by teams of Québec businessmen abroad, thus enabling them to explore overseas markets. Information on the various aspects of external trade, its requirements and regulations, may be obtained from the Export Techniques Division.

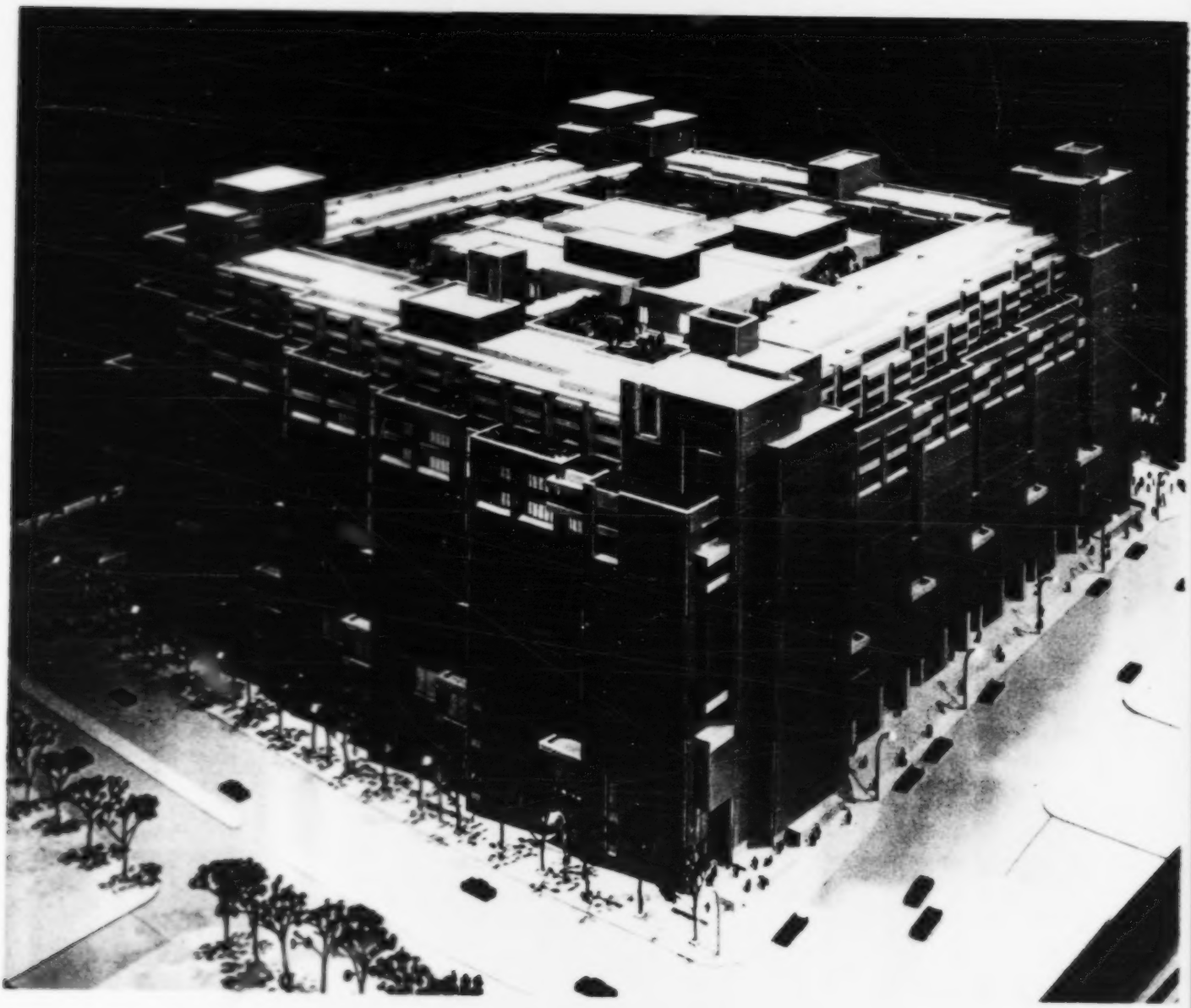
The federal Department of Trade and Commerce recently put into service a nation-wide telephone service which permits business firms seeking information on import and export conditions to call the Department's experts, free of charge, from any part of the country. Another unique service offered by the federal government is an export credits insurance plan available to all persons or corporations carrying on business in Canada.

The Canadian Trade Commissioner Service maintains 67 offices in 48 countries and Québec has agencies in the United States, the United Kingdom, France and Italy.

The function of these establishments is to facilitate in every way possible foreign investments, trade exchanges and business transactions in general. Their services are available to Canadian and foreign businessmen alike.

*Place Ville Marie, 45 storeys high is a remarkable architectural achievement and an important business centre*

*Business and industry have numerous exhibit centres at their disposal, notably Place Bonaventure. This enormous new commercial centre, 17 storeys high, offers three million square feet of floor space. Place Bonaventure includes a shopping concourse, a movie theatre, exhibition halls, a "better Living Centre", a wholesale mart, an international trade centre (reserved for foreign countries wishing to expand their commercial links with Canada) and a 402-room hotel.*



## INDUSTRIAL PRODUCTION: CONSUMPTION AND EXPORTS QUÉBEC — 1964*

| | Production $000 | Consumption $000 | Exports $000 |
|---|---|---|---|
| Food and beverage industries | 1,771,652 | 1,355,314 | 416,338 |
| Primary metal industries | 1,047,787 | 439,023 | 608,764 |
| Paper and allied industries | 964,314 | 288,330 | 675,984 |
| Textile industries | 684,564 | 400,470 | 284,094 |
| Clothing industries | 645,061 | 279,957 | 365,104 |
| Metal fabricating industries | 531,654 | 343,448 | 188,206 |
| Chemicals and chemical products industries | 498,261 | 233,684 | 264,577 |
| Electrical products industries | 425,175 | 167,094 | 258,081 |
| Petroleum and coal products industries | 398,610 | 239,166 | 159,444 |
| Transportation equipment industries | 367,439 | 109,129 | 258,310 |
| Printing, publishing and allied industries | 271,002 | 265,582 | 5,420 |
| Non-metallic mineral products industries | 263,767 | 194,133 | 69,634 |
| Wood industries | 245,924 | 172,639 | 73,285 |
| Tobacco products industries | 192,132 | 60,906 | 131,226 |
| Machinery industries | 189,097 | 77,152 | 111,945 |
| Furniture and fixtures industries | 169,568 | 109,880 | 59,688 |
| Knitting mills | 155,939 | 77,658 | 78,281 |
| Leather industries | 148,936 | 71,340 | 77,596 |
| Rubber industries | 92,831 | 38,525 | 54,306 |
| Miscellaneous manufacturing industries | 206,374 | 114,331 | 92,043 |
| TOTAL | 9,270,087 | 5,037,761 | 4,232,326 |

## RETAIL TRADE - QUÉBEC

| | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 |
|---|---|---|---|---|---|---|
| | | | | $000,000 | | |
| Non-durable goods | 3,216.9 | 3,505.8 | 3,751.6 | 3,921.3 | 4,136.9 | 4,373.6 |
| Durable goods (including motor vehicles) | 966.3 | 1,065.0 | 1,089.2 | 1,171.3 | 1,292.1 | 1,327.9 |
| (Motor vehicles) | (579.5) | (642.1) | (674.9) | (743.1) | (842.4) | (845.8) |
| Total | 4,183.2 | 4,570.8 | 4,840.8 | 5,092.6 | 5,429.0 | 5,701.5 |

Source: Retail trade, D.B.S.

## INDEX OF WHOLESALE PRICES

| 1935-39 = 100 | Vegetable Products | Animals and Animal Products | Fibres and Textiles | Lumber and Lumber Products including Paper | Iron and Iron Products | Non-ferrous Metal Products | Non-metallic Mineral Products | Chemicals and Chemical Products | General Wholesale Index |
|---|---|---|---|---|---|---|---|---|---|
| 1961 | 203.1 | 254.7 | 234.5 | 305.1 | 258.1 | 181.6 | 185.2 | 188.7 | 233.3 |
| 1966 | 226.0 | 296.2 | 251.1 | 338.7 | 267.7 | 229.9 | 193.7 | 209.7 | 259.6 |

Source: Prices and Price Indexes, D.B.S.

## CONSUMER PRICE INDEX - % CHANGES AS COMPARED WITH PRECEDING YEARS

| MONTRÉAL 1961 = 100 | 1963 | 1964 | 1965 | 1966(*) | | % 1964/63 | % 1965/64 | % 1966/65 |
|---|---|---|---|---|---|---|---|---|
| Food | 106.1 | 108.0 | 110.0 | 116.6 | | + 1.8 | + 1.9 | + 6.0 |
| Clothing | 100.9 | 103.2 | 105.4 | 108.5 | | + 2.3 | + 2.1 | + 2.9 |
| Housing | 101.3 | 101.7 | 102.4 | 103.8 | | + 0.4 | + 0.7 | + 1.4 |
| Health Care | 105.7 | 109.6 | 114.0 | 116.7 | | + 3.7 | + 4.0 | + 2.4 |
| Transportation | 98.8 | 98.5 | 102.5 | 104.0 | | − 0.3 | + 4.1 | + 1.5 |
| Tobacco and Alcohol | 101.5 | 105.3 | 107.7 | 109.5 | | + 3.7 | + 2.3 | + 1.7 |
| Recreation and Reading | 103.4 | 108.3 | 112.5 | 115.3 | | + 4.7 | + 3.9 | + 2.5 |
| Composite index | 102.9 | 104.5 | 106.7 | 109.9 | Average | + 1.6 | + 2.1 | + 3.0 |

(*) Estimated. SOURCE: Price and Price Indexes, D.B.S.

taxation

# Taxation

Income tax is levied by both the Federal Government and the Government of Québec. Federal and provincial income tax returns are filed simultaneously and, although the scales may vary, the underlying principle is the same.

# Federal Corporation Income Tax

The rates of tax on corporate taxable income are 18% on the first $35,000 of taxable income and 47% on taxable income in excess of $35,000. In addition to these rates, all corporations pay an old age security tax of 3% of taxable income.

A tax abatement equal to 11% of taxable income is deductible to set off taxes levied by the provincial government.

**Deductible Expenses**

In computing their income, corporations may deduct operating expenses including interest on borrowed money, reserves for doubtful debts, bad debts, contributions to registered pension plans, retirement savings plans or deferred profit-sharing plans for their employees, expenses incurred for scientific research and depletion allowances for oil well, gas well and mining operations.

Expenses incurred in connection with the issue or sale of share capital and loans needed for business operations (excluding commissions, gratuities and rebates) are deductible. The same applies to dividends received from Canadian taxable companies, donations to charitable organizations up to a maximum of 10% of corporate income, municipal real estate taxes, prospecting fees, mining royalties and timber limit rentals paid to provincial governments.

In the case of a resident taxpayer, foreign taxes paid on income from foreign sources may be credited against Canadian income tax but the credit may not exceed the proportion of Canadian tax relative to such income.

***Note :***

Business losses may be carried back one year or forward five years and deducted in computing taxable income.

### Capital Cost Allowances

The yearly deductions of capital cost allowances (depreciation) are computed on the diminishing balance principle. Here are some examples of current depreciation rates:

| | |
|---|---|
| Buildings | 5% to 10% |
| Rolling stock, contracting equipment, mining machinery | 30% |
| Dies, moulds, patterns, tools worth less than $50 | 100% |
| Pipelines and water conduits | 6% |
| Pulp and paper mills | 10% |
| Miscellaneous (machinery, etc.) | 20% |

### Non-Residents' Tax Withheld at Source

A tax of 15% is applied on certain forms of income going from Canada to non-resident individuals or corporations, such as interest, dividends, rentals, royalties, income from a trust or estate, etc. This is distinct from the tax levied on the income earned by non-residents from employment or business activities in Canada.

### Canadian Subsidiaries

All profits earned, in Canada or abroad, by Canadian subsidiaries of foreign companies are subject to current Canadian tax rates. Tax reductions are granted, however, where taxes are paid to another country on income earned in that country.

### Canadian Branches

Foreign companies are only taxed for income earned by their branches in Canada. No tax is withheld at the source on the profits a branch transmits to the head office of its company.

Canada has tax treaties with the United States, the United Kingdom, France, Ireland, New Zealand, Sweden, Denmark, Germany, South Africa and the Netherlands.

**Investment Companies Belonging to Non-Residents**

Investment companies incorporated under Canadian law by non-resident owners are not subject to the same tax rates as Canadian companies. If they are registered as investment companies owned or controlled by non-residents, the rate of tax imposed is 15%.

**Other Investment Companies**

Other investment companies pay an income tax of 21%. The 50% tax on income in excess of $35,000 does not apply to them.

**Crude Oil, Natural Gas and Minerals**

Petroleum and natural gas companies engaged in research, production, refining and marketing, as well as mining concerns specializing in mineral extraction, mining exploration and ore treatment may deduct from their income for the current year (or subsequent years, if the expenditure is in excess of that year's income) all expenses incurred in connection with exploring and boring operations and scientific research.

Also deductible are all fees paid (with the exception of rentals and royalties) for unsuccessful prospecting for crude oil and natural gas.

Mines producing metals and industrial minerals benefit from a federal income tax exemption during the first three years of commercial operations. This exemption applies only to new mines.

## Provincial Corporation Taxes

The Government of Québec levies a 12% tax on the income of all firms doing business in the province.

Provincial regulations covering capital cost allowances and business losses are in line with federal rules.

**Natural Resources**

In addition to its tax revenues from mining and forestry operations, the province collects rentals, royalties, logging charges and other dues connected with the activities in mines and forests. All these dues and charges are deductible for federal income tax purposes.

**Capital**

Québec imposes a tax of one tenth of 1% on paid-up corporate capital (1), i.e. the sum of capital stock, operational surplus, reserve funds,bonds, mortgages, loans and advances, less allowances for good-will and investments.

**Taxes on Mining Operations**

The first $50,000 of income from mine production is tax free. Thereafter, a progressive scale of rates ranging from 9% to 15% is imposed. These payments are deductible for federal income tax purposes.

**Municipal and School Taxes**

Québec's municipalities and school boards collect taxes based on real estate assessments. Municipal and school taxes levied on business property are deductible for federal and provincial tax purposes.

**Business Taxes**

The larger towns have a place-of-business tax based on the rental value of business locations.

(1) Excluded are petroleum, finance, shipping and gas companies, as well as enterprises dealing in alcoholic beverages and tobacco. In their case, rates range from 1/5 to 3/8 of 1%.

# Individual Income Tax

**Federal Taxes**

Every individual who takes up permanent residence in Québec is liable for the payment of tax on the income he has earned since his arrival in the province.

***He is entitled to the following deductions:***

- *Single taxpayer - no dependants: $1,000;*
- *Married taxpayer or single taxpayer with one or more dependants: $2,000 plus $300 for each child eligible to receive a family allowance or $550 for any other dependant;*
- *Alimony payments, charitable donations up to 10% of income;*
- *Medical expenses in excess of 3% of income;*
- *Contributions to a pension fund or retirement savings plan.*

To partially eliminate the double taxation of corporate profits, Canadian residents are allowed to deduct from their federal tax returns an amount equal to 20% of the net dividends they receive from Canadian taxable companies.

The Federal Government provides tax reductions of up to 50% of the federal income tax to compensate for taxes paid to the Government of Québec.

**Investment Income**

In some cases, there is an additional tax of 4% on income derived from investments outside Canada.

*** Provincial Taxes**

All residents of Québec, whatever their sources of income, are liable for payment of provincial income tax. Non-residents who are employed or do business in the province have to pay tax on that part of their income which is earned in Québec.

***Basic Exemptions:***

- Married taxpayer: $2,000;
- Single taxpayer: $1,000;
- Each child eligible to receive a family allowance: $300;
- Any other dependants: $550.

Québec's regulations closely follow the federal income tax rules and contain similar provisions for the deduction of medical expenses and charitable donations.

Shareholders of Canadian companies may claim a 9% tax reduction on dividends received in the course of the year.

* If the tax reform proposed by Québec's Finance Minister in his Budget Speech of March 16, 1967, is approved, single taxpayers earning less than $2,000 a year and married taxpayers earning less than $4,000 a year will be exempt from provincial income tax. This measure would in no way affect the basic tax exemption of $1,000 and $2,000 respectively, accorded to all taxpayers.

The Minister further suggested that the $300 tax exemption granted for each child be replaced by a system of graduated family allowances.

## Other Taxes

### Federal Excise and Sales Taxes

The Federal Government levies a 12% tax on the sale price of goods produced or manufactured in Canada or on the duty-paid value of goods imported into Canada. The tax is made up of a 9% sales tax and a 3% old-age security tax. It is collected by manufacturers, producers and importers on delivery of goods.

The last manufacturer who is the final link in the production chain of any article made in Canada is responsible for collecting the sales tax. Sales tax licences are issued once a year free of charge. Licence holders may buy or import the raw materials and other items needed for the manufacture of their goods without paying sales tax, as the tax is levied on the finished product.

Many classes of goods are exempt from sales tax: foodstuffs, books and magazines, building materials for hospitals, schools, universities, libraries and similar institutions; equipment used in farming, livestock breeding, fishing, mining, forestry and crude oil production. Exports are not subject to sales tax.

In addition, the Federal Government levies a 15% excise tax on a number of goods made in Canada or imported into the country. These include radios, T.V. sets, record-players, etc. The tax is paid by the manufacturer. An excise tax of 10% is imposed on a wide range of goods, including jewellery, cosmetics, pipes, lighters, china, clocks and wrist-watches.

### Provincial Sales Tax

Québec imposes a standard sales tax of 8% on the price of all consumer goods sold in the province.